THE 8-PERCENT SECTION OF THE JOB TRAINING PARTNERSHIP ACT

HEARING

BEFORE THE

SUBCOMMITTEE ON EMPLOYMENT OPPORTUNITIES

OF THE

COMMITTEE ON EDUCATION AND LABOR
HOUSE OF REPRESENTATIVES

NINETY-NINTH CONGRESS

FIRST SESSION

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8-PERCENT SECTION OF THE JOB TRAINING PARTNERSHIP ACT

SATURDAY, DECEMBER 7, 1985

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON EMPLOYMENT OPPORTUNITIES,
COMMITTEE ON EDUCATION AND LABOR,
Atlanta, GA.

The subcommittee met, pursuant to call, at 1:30 p.m., in room 214, Georgia World Congress Center, Atlanta, GA, Hon. Matthew Martinez (chairman of the subcommittee) presiding.

Members present: Representatives Martinez and Williams.

Mr. KILBERT. Ladies and gentlemen, I would like to call this session to order today. My name is Gerald Kilbert and I am the president of the National Employment and Training Association and a member of the Employment Training Division of the American Vocational Association and we are pleased that we are able to have the opportunity to have a hearing here at AVA.

We hope that this becomes the first perhaps of future hearings as a model whereby we can actually have a congressional hearing conducted here at the annual American Vocational Association Convention.

The hearing you will be attending today is the Subcommittee on Employment Opportunities, which is part of the full Committee on Education and Labor, and you will hear from Congressman Martinez and Congressman Williams at this hearing. The hearing was designed to take testimony on the 8-percent education set-aside under JTPA.

As far as the other announcements that you might like to know about is that there is a meeting immediately following this of the National Employment and Training Association Nomination Committee. Those people are asked to please stay afterward for their nomination meeting. Other than that, there are no further announcements and I would like to turn the hearing then over to Congressman Martinez.

Thank you.

Mr. MARTINEZ. Thank you very much, Jerry. This is a hearing of the Subcommittee of Employment Opportunities and I would like to take an opportunity to express my pleasure in being here in Atlanta to discuss issues that are very important to those of you in the field of vocational educational training.

The purpose of today's hearing is to focus on the 8-percent education set-aside under the Job Training Partnership Act which pro-

vides for us to promote service and coordination among JTPA programs and educational agencies.

We will review the implementation of the 8-percent program to see how States have utilized the 8-percent funds, how vocational programs are operating under the offices of the educational system and what administrative concerns confront operators of the 8-percent program.

We are pleased to have before us distinguished witnesses representing organizations involved in the design and implementation of various education and training programs under the 8-percent program, including the president of the American Vocational Association, Ms. Kolde, and a representative from Florida Governor Graham's office and the National Governors' Association, Mr. Kynoch.

Accompanying me on the roster today is the Honorable Pat Williams, Representative from Montana, who has a deep, deep interest in the JTPA Program and is one of the original coauthors. I would like to welcome all the distinguished visitors and turn at this time to Mr. Williams for his opening statement.

Mr. Williams.

Mr. WILLIAMS. Thank you very much, Mr. Chairman. Like you, I, too, am pleased to be here with our friends in Atlanta. One of the efforts that we have tried to achieve with JTPA, and particularly with this set-aside, is to allow Governors and the State education authorities the flexibility which they have told us they badly need and also to find ways to better coordinate between education efforts which prepare people for the world of work and some of the agencies which have a kind of an ancillary authority in those efforts. This 8-percent set-aside is, we hope, designed in a way to allow States to achieve at least both of those goals.

As of yet, of course, there are no Federal performance standards and one of the purposes of this hearing—which to some degree I guess, Marty, is an oversight hearing in the nature of it—is to try to give those of us in the Congress that work most closely with JTPA and vocational education an early sense of how well the 8-percent set-aside is working in your own individual areas.

Thank you.

Mr. MARTINEZ. Thank you, Mr. Williams. Of course, I do not know how many of you are aware that Mr. Williams' background is education as he was in that profession before coming to Congress.

At this time we would like to turn to our first witness, Ms. Kolde, and I would like to announce that all of the written statements that have been submitted will be entered into the record in their entirety and we would ask the witnesses to summarize and try to hold the time of testimony and questioning to the 5-minute rule, in order that we might expedite the hearing and hear from everyone as fully as we can.

STATEMENT OF ROSEMARY F. KOLDE, PRESIDENT, AMERICAN VOCATIONAL ASSOCIATION

Ms. KOLDE. Congressman Martinez and Congressman Williams, I am Rosemary Kolde, president of the American Vocational Asso-

ciation. I want to take this opportunity to welcome you to the 79th Annual AVA Convention in Atlanta.

AVA conventions are traditionally times when vocational educators have the opportunity to increase their awareness of the major trends affecting the fields of education, including the most important legislative issues affecting vocational education. It is with this in mind that we welcome the House Subcommittee on Employment Opportunities here today to hold a congressional hearing on the Job Training Partnership Act.

For the next 3 hours you will hear testimony from a variety of educational groups, chief State school officers, local school boards and, of course, vocational education. The National Governors' Association will also be appearing today.

The testimony will focus on the views and, frankly, the concerns that are shared by these groups about the role of education in the Job Training Partnership Act, and specifically in the 8-percent set-aside of title II funds.

I would hope that by the end of this afternoon some insight could be gained as to, one, the role of the State education agency as the administrative entity for the 8-percent set-aside; two, the role of the local education agency as the provider of training under JTPA; and three, how the 8-percent funds can be used as an incentive for flexible and innovative training programs. AVA appreciates this subcommittee's willingness to study these issues.

JTPA is at a time when serious and substantial reviews should be done of the intent and results of the law. AVA will work with this subcommittee as it continues its oversight of JTPA.

We were a part of that process in developing the law because we realize the role vocational education plays in providing education and job training to the youth and adults in this country. We will continue to be part of the process because of the job that remains to be done.

Unemployment among youth, especially disadvantaged youth, remains at an unacceptably high level. The training and the retraining needs of adults continues to grow as more and more jobs are created in the service sector and fewer and fewer in the manufacturing sector and as we move more quickly into the age of advanced technologies.

JTPA utilizing the strengths of the public and private sectors is a critical component in the coordinated effort to meet that expanding need for education and training.

Again, we welcome you to the AVA Convention, and we invite you to join the hospitality of the vocational educators and of this wonderful city of Atlanta.

Thank you for coming.

Mr. MARTINEZ. Thank you, Ms. Kolde.

Mr. Williams.

Mr. WILLIAMS. No, I have no questions except to say hello again, and that it is always a delight to be with you, Madam President. The women in the audience will recognize that that term, Madam President, has kind of a unique ring to it, one that we do not hear very often in Washington, but perhaps one of these days.

Ms. KOLDE. One of these days, Mr. Williams. Thank you.

Mr. MARTINEZ. Thank you.

Our next witness is Mr. Kynoch.

Are you in the audience?

Mr. Kynoch is the policy coordinator for the county on economic development from the Florida Office of Planning and Budget on behalf of Gov. Robert Graham.

Welcome.

STATEMENT OF WILLIAM KYNOCH, REPRESENTATIVE, NATIONAL GOVERNORS' ASSOCIATION, ACCOMPANIED BY JERRY SPURLIN, DIRECTOR, VOCATIONAL JTPA PROGRAMS, DEPARTMENT OF EDUCATION, FLORIDA

Mr. KYNOCH. Thank you, Mr. Chairman.

Mr. Williams, as you indicated, my name is Bill Kynoch from Florida Gov. Bob Graham's office. I appreciate the opportunity to come and talk to you for a few minutes today about the Job Training Partnership Act and specifically about section 123 of the act.

In your letter, Chairman Martinez, you indicated you were primarily interested in, I believe, about four areas, strategies for State and local planning, recent educational developments in coordination efforts, and in targeting, recruitment, and administrative and private sector involvement decisions.

In my written testimony I presented a good bit of information about these issues from a nationwide perspective, particularly with the emphasis on the role of the Governor.

During these few minutes I would like to take the opportunity to talk to you in some more detail about our specific experiences in Florida. Over the last several years, Governor Graham has emphasized a coordinated and, where feasible, integrated planning and service delivery system for State government. I do not have to tell you gentlemen or the people in the audience the practical problems that occur with trying to get different agencies with different roles and sometimes with different goals to work together to integrate the planning and delivery of services.

Nevertheless, when JTPA came on the scene we felt that its partnership emphasis gave us a tremendous opportunity to achieve a degree of integration and some cooperative approaches to solving of common problems.

In our earliest planning for the transition of JTPA, our State Department of Education, which incidentally is under the jurisdiction of an independently elected official, was included and fully participated in all decisions relating to JTPA, including such things as the numbers of service delivery areas, the boundaries of those service delivery areas, the composition of the State job training coordinating counsel and the administrative and policy structures at the State and local areas. Some early decisions that were made during that transition process were that the primary statewide policy advisory body for employment training issues would be the State Job Training Coordinating Council.

Program implementation and policy would be decentralized to the private industry councils to the maximum extent possible. Services would be integrated into the current education and job training systems and the private sector through the PIC's would have the dominant policy role at the SDA level.

Utilizing those criteria, administration of the section 123, 8-percent set-aside funds, were then placed under the jurisdiction of the Department of Education with policy guidance from the Governor through the State Job Training Coordinating Council and final approval of the use of the funds at each service delivery area made by the private industry council in that area.

In my written testimony I have indicated that one of the weaker points of JTPA efforts to date, and I believe you will hear a good bit of this today, is the lack of interagency coordination that is required to implement the partnership.

In Florida we have put substantial effort into interagency cooperation, yet I would say our progress has been relatively slow and fairly minor. Interestingly enough, however, our most progress has been made with education, even though, as I have mentioned earlier, they are under an independently elected commissioner.

The emphasis in JTPA on partnership and our implementation strategy for the 8-percent set-aside resulted in three unexpected, at least unexpected to me, interagency coordination benefits. First of all, on the statewide level, we do have a very good and positive relationship with the Department of Education and the Department of Labor on implementation of the various programs of JTPA and, second, and I think much more importantly, relationships have been established between local education agencies and the private industry councils and, third, and also very importantly, there has been some accountability to the private sector in the local areas because of the role of the PIC's in the approval of the expenditure of the 8-percent funds.

If I could digress for just a moment, Mr. Chairman, your letter did ask for some examples of State and local planning efforts. In terms of our total JTPA Program, as you know, States are required to present job training plans and job service plans to the Federal Government.

In previous years, at least in Florida and I would suspect all other States, these have been independent plans that have gone through the Department of Labor or to the Department of Labor under different sets of procedures and guidelines and were very much process oriented.

This year in Florida we are combining the two plans into a single employment and training plan which has generated at the service delivery area level at the direction of the PIC's. It is consistent with the goals and policies in the Florida State plan, which is a legislatively adopted document, and most importantly, the plan is results oriented rather than process oriented.

In other words, our planning guidelines from the State basically had three goals in it. One is to provide people jobs, another is economic development activities, increases in those activities, and a third for effective and efficient administration of programs. The local plans will tell how they are going to achieve those programs in a very quantifiable results-oriented method.

We are frankly very proud of this effort. I hope when it is finished in July we will be just as proud of it and we are hoping it will become a model for other States to improve their planning process and also to become a model within Florida for interagency coordination activities.

With that very brief background, my recommendations to the subcommittee are basically two. First of all, continue to permit flexibility among the States so that the Federal objectives can be met through a variety of administrative mechanisms depending on each State's unique circumstances.

In other words, if the Congress feels that the goals of the plan are not being met, I believe you should make us more accountable for the goals. If interagency coordination is a major goal of the Congress, I would be perfectly satisfied with providing in our plan what we are doing for interagency coordination and more importantly, what that is going to achieve in terms of jobs for people, training for people who need jobs and so forth, as opposed to—we are doing a lot of coordination because we are having meetings together. I am not sure what that has accomplished over the years.

In summary, we believe that in Florida—I am sorry. I forgot to give you my second recommendation and probably the most important one. I could not go home without this one.

That is to continue the involvement of the Governors so as not to lose the potential and the reality of maximizing services through program cooperation and integration while minimizing the cost to the taxpayer.

In summary, we believe that in Florida the system is working. Utilizing our Department of Education as the administrative entity for section 123 funds allows these funds to be integrated into the education system while the policy initiatives from the Governor via the State Job Training Coordinating Council ensures that these funds do not become isolated into another duplicative fragmented training program but are integrated into the total employment and training system.

But PIC's and the education industries are working together in our State. Coordinated efforts are being used to leverage State, JTPA, and other Federal funds for most cost effective programming. JTPA is even having an impact on the methodology of vocational education in general through its performance orientation.

One of our local superintendents of schools recently made a statement that JTPA is having one of the most positive impacts on education and preparing students for future employment of any piece of legislation he has seen. In fact, he stated that he viewed JTPA as an education act and not a labor act because of the positive outcomes that he has seen come out of JTPA.

I believe that statement sums up our expectations for JTPA in Florida. We are not there yet, but we do have some movement and we are confident we can achieve the goals that have been set by the Congress and by our own State elected officials.

Thank you, Mr. Chairman, and Mr. Williams, for this opportunity to provide you with some of our thoughts on JTPA and the 8-percent set-aside.

[Prepared statement of William Kynoch follows:]

PREPARED STATEMENT OF WILLIAM KYNOCH, POLICY COORDINATOR FOR COMMUNITY AND ECONOMIC DEVELOPMENT, GOVERNOR'S OFFICE OF PLANNING AND BUDGET, STATE OF FLORIDA

INTRODUCTION

Good afternoon, my name is William Kynoch. As Policy Coordinator for Community and Economic Development in the Governor's Office of Planning and Budget for the State of Florida, I am pleased to have the opportunity to testify on behalf of the National Governors' Association about the opportunities for and challenges of employability and educational systems coordination under the Job Training Partnership Act (JTPA).

In the broadest sense, all of JTPA is an educational program because it offers people the basic education, communication and occupational skills as well as work behaviors needed to secure unsubsidized employment. It does this, not by creating a separate system of services, but by leveraging services from schools, community agencies, post secondary educational institutions and others with the capacity to deliver education, training and employment services.

My remarks today concern programs and activities carried out under Section 123 of the Act. This section authorizes Governors to provide funds amounting to eight percent of the Title II-A allocation to the state to a state educational agency responsible for education and training to: 1) provide education and job training services to eligible participants under written cooperative agreements between the state education agency, local service delivery areas and, as appropriate, local education institutions; and 2) facilitate coordination of services for eligible participants through technical assistance, professional development, curriculum development and other activities.

My remarks will:

- describe the historical and current context within which the state set-aside is being administered;
- discuss the importance of coordination between the education and employment and training systems; and
- summarize state experience to date in using these resources to meet state identified needs and priorities.

CONTEXT FOR COORDINATION BETWEEN EDUCATIONAL AND LABOR MARKET PROGRAMS

Over the last 25 years Congress has attempted to promote closer coordination between educational programs and the labor market through a variety of procedural requirements. Under the Manpower Development and Training Act (MDTA) funds flowed through the state employment security agencies with the requirement that training programs be developed by the state vocational education system to respond to identified labor market needs.

The Comprehensive Employment and Training Act (CETA), which followed on the heels of MDTA, contained a five percent (later six percent) state vocational education set-aside and a separate requirement that 22 percent of the Youth Employment Demonstration Projects Act (Title IV) resources be spent under agreement between the CETA prime sponsor and the Local Education Agency. Both CETA and the Vocational Education Act mandated overlapping membership on their respective state and national advisory councils. Under both acts, a national and 50 State Occupational Information Coordinating Committees were also created to promote sharing of planning and other information between the two systems.

It was not until the passage of JTPA that Congress wisely recognized that federally mandated strategies for promoting coordination between the education and employment and training systems must take into account differences in the way education delivery systems are structured within states. Thus JTPA sets forth the objective of coordination and provides resources to facilitate this coordination; it does not, however, specify which state education agency(ies) should be involved in administering the eight percent funds. This flexibility has resulted in Eight Percent funds being used within some states by single agencies and, in other states, by multiple agencies including departments of public instruction, boards of vocational and technical education, and community college systems. The choices being made undoubtedly reflect the historical relationship between the state education and employment and training agencies and the different goals set forth for the use of the resources. A study conducted more than a year ago by the U.S. Department of Education indicated that during Program Year (PY) 1984 Eight Percent funds were distributed among various education agencies as follows:

- Adult Basic Education 14%
- Vocational Education 28%
- Post Secondary Education 40%
- Other 18%

In some instances the 20 percent portion of the set-aside has gone to one agency while the 80 percent services portion has gone to another. Other divisions have been worked out within states to support such diverse activities as intensive remedial education for incarcerated youth, the introduction of computer-assisted instruction in local programs, diversified staff training in youth employment competencies, and support for labor market information services.

Beyond recognizing the diversity of state educational structures, JTPA provisions have helped overcome other barriers to coordination between the two systems.

- Moving JTPA to a two year planning cycle with forward funding on a July to June program year basis has made coordinated planning a more achievable goal.

- Allowing 25 percent of the individuals served in the Eight Percent programs to be non-economically disadvantaged has given the states an opportunity to better mesh the needs of the economically and educationally disadvantaged in determining eligibility criteria for services. On a practical level, this flexibility also makes it possible to provide services in schools where many, but not all, students meet JTPA income eligibility criteria.

- Providing states the flexibility to ease JTPA support service and administrative cost limitations under the various parts of the set-aside has made JTPA more conducive to educational agency practices.

- Requiring a 1:1 match of non JTPA resources to Eight Percent dollars has provided an impetus for states to better mesh federal resources with all other available resources. Admittedly federal matching requirements have not yet proven to be as effective a tool to promote coordination as one would hope. Yet, the intent of promoting more coordinated use of federal and non federal dollars to support services to at-risk populations is one to be applauded.

WHY IS COORDINATION PARTICULARLY IMPORTANT TODAY?

Improving education is a major public policy objective. Responding to significant criticism about the quality of education, state and local initiatives to improve schools have snowballed. Tougher competition from overseas in such industries as steel, automotive and textile and the proliferation of computers in factories, offices, retail stores and homes as well as other technological advances have forced a reexamination of

education's role. Interest has also stimulated the creation of new private sector partnerships with local education institutions. Although a number of states have started to coordinate employability and education policies, no state has put all the pieces together in this area.

We know that basic academic skills are critical to economic success. High school graduates earn more than nongradustes. High school dropouts are more likely to be unemployed than graduates. Two-thirds of economically disadvantaged people in America, the group targeted by JTPA, do not have high school diplomas. For Blacks, the higher their achievement test scores, the greater their employment rate.

It has been estimated that over thirty million Americans are functionally illiterate; they do not have the skills necessary to master the demands of many job and life situations. Estimates vary dramatically because of the varied definitions of literacy being used. The lack of good information on the true dimensions of the problem has made it difficult for states to effectively target resources to address the adult literacy problem. Yet despite data limitations, we know that in sheer numbers, the greatest problem lies with the 18 through 29 year old cohort. A disproportionate share of individuals who are functionally illiterate are poor, minorities or immigrants. Between 700,000 and one million young people drop out of high school each year, adding to this problem. We know of new education programs targeted specifically at addressing the dropout program in 17 states. This is but a beginning.

The needs of many individuals within at-risk groups exceed the combined scope of traditional education programs and the financial resources available through the Job Training Partnership Act. They call for mobilization of a wide spectrum of education, employment and related services to create flexible learning opportunities for youth and adults who are out of school and the 15-20 percent who are not successful in regular schools. The Eight Percent program offers a genuine resource for focusing attention on this issue and leveraging the necessary public and private resources to meet identified needs. Funds under the Eight Percent set-aside, currently about $150 million nationwide, can: (1) provide needed employment-related services linked to educational services; (2) bring about change in the ways at-risk individuals, e.g., potential dropouts and dropouts, are served within the two systems; (3) leverage other resources to refocus ways traditional state functions related to employability and education are carried out; and (4) further state education and economic reform initiatives by enhancing or supplementing local efforts.

WHAT ARE STATES' EXPERIENCES TO DATE?

The first two years' experience with the education set-aside program have been varied. Some states have undertaken significant new initiatives using the resources available as the stimulus while others have continued ongoing institutional arrangements and activities begun under CETA. Some states have shifted the focus of coordination from the state level to the local level by directly allocating the set-aside funds to the states' Service Delivery Areas (SDAs). It is important to note that in planning for the use of the Eight Percent funds, many states have recognized that adults as well as youth have substantial literacy needs related to employment and therefore have worked

with community colleges and adult basic education programs that traditionally serve adult populations.

At this point we have only anecdotal information about the kinds of programs that have been funded, the characteristics of the population being served and the institutional arrangements negotiated between the JTPA and education systems. To remedy this situation, the National Governors' Association is currently collecting information from the states which we hope will provide a fuller picture of what the program looks like nationwide. NGA staff hope to have a report on this and the Three Percent, Older Individual Set-Aside available later this winter.

Based on the information we do have, we know that the states have used the flexibility given them in administering the program in:

- setting goals and priorities for the program;
- targeting different segments of the at-risk population for service; and
- the manner in which funds have been distributed within states.

Goals and Priorities

During the past two years, states have used funds under the education set-aside to support efforts that meet various objectives including: improving basic skills; reducing dropout rates; educating those who have already dropped out; promoting the use of competency-based instruction and meaningful credentials; and tying educational services into economic development activities.

For instance, states such as Ohio, Colorado and Hawaii have supported the implementation of competency-based basic skill programs which make extensive use of computer-assisted instruction to complement traditional paper and pencil remediation techniques.

North Carolina and Texas have used the Eight Percent funds to enhance state educational reform initiatives by supporting dropout prevention activities.

Missouri has chosen to use its Eight Percent funds to promote the greater use of customized training as part of its economic development activities.

Target Population

As indicated, states have targeted both youth and adults for service. While Kentucky focused on dropouts, the handicapped, offenders, wards of the state and the mentally retarded, Massachusetts placed major emphasis on AFDC recipients. Vermont used funds to improve the ability of its vocational and technical schools to provide retraining and basic skill upgrading services to adults.

Substate Fund Distribution

As with target populations, states have made choices in how to administer the program. In Florida, for instance, the Governor has selected the Department of Education to administer the Eight Percent set-aside. Funds are allocated to Local Education Agencies by formula according to non-financial

agreements negotiated with Private Industry Councils. Alternatively, in Michigan, funds were distributed by formula to the Service Delivery Areas requiring that cooperative agreements between the JTPA and Local Education Agencies be signed at the local level. Still another approach was used in Massachusetts. There, program goals were articulated through a state designed Request for Proposal directed at Private Industry Councils. Funds for winning proposals were channelled to local Private Industry Councils in order to strengthen their community-wide planning and coordination role.

CONCLUSION

Although many exciting initiatives have been implemented since passage of JTPA, it is fair to say that the real opportunities lie ahead for using the Eight Percent program to better integrate educational services with those designed to prepare youth and adults for work. The potential for such integration has been advanced with Congress' recent passage of the Carl Perkins Vocational Education Act. This Act sets goals for expenditure of federal vocational education dollars which in many ways are consistent with the goals of the JTPA system. It also, for the first time, requires the education system, and not just the employment and training system, to coordinate planning and other activities with the other system. The real impact of the changes and possibilities for significantly improved relationships between the two systems will not be felt within the states for several years to come.

Within the JTPA system, now that the basic JTPA systems have been put into place, attention can be turned to refinement of assessment strategies, instructional methods and other elements of program design that impact on the quality of services being delivered. Over the years we have learned a lot about what works and what doesn't. We know much more about assessment and instructional practices, program design, and management strategies than we actually use within our schools and employment and training programs. Many useful program models exist which can be incorporated into state and local programming with the help of the Eight Percent program.

We also know that institutional change is slow, especially when it involves different agencies with separate governance structures at both the state and local levels. Given the diversity of structures involved, it is only the state level that has the authority to rationalize systems and the allocation of resources.

We must all recognize that as a nation we have a long way to go in developing coherent national or state education and training policies which will help guide us through the difficult process of economic change in which we find ourselves. Federal leadership in creating bridges between the two systems would go a long way to energizing the process of coordination that must take place within the states. Unfortunately, we are too well aware that this important aspect of the federal role in education and training has been sorely neglected over the years. We are encouraged by the U.S. Department of Labor's increasing interest in providing such leadership especially related to youth development and worker adjustment issues.

We trust that the Governors' continued high interest in furthering educational reform and economic development within the states will provide a fertile environment for state policy development and implementation of state education coordination activities.

Despite the frustrations we might all feel, it is important to reiterate that we believe that JTPA provides Governors with a useful tool to bring about needed structural changes in our education and training systems. It will take time and the sustained support of Congress to accomplish that which has been sought for many years.

We appreciate the opportunity to share the Governors' perspective on this important aspect of the Job Training Partnership Act.

Mr. MARTINEZ. Thank you. That was Mr. Kynoch?

Mr. KYNOCH. Yes, sir; that is correct.

Mr. MARTINEZ. I got it right that time.

Mr. KYNOCH. It was close—the first time was close.

Mr. MARTINEZ. We understand the reasons for the Governor's wanting the flexibility they have. From a political standpoint it is a great advantage, but the subcommittee is more interested in the functional aspects of it than control.

In that regard, the Department of Labor has not provided as much direction in some instances that they should have. One of those areas that they have not provided direction is in the matching funds on the 8-percent set-aside. Has the Governor taken steps to determine to the local agencies what, in his estimation, would be—what would be actual matching funds, what elements?

Mr. KYNOCH. We do have some guidelines for the matching funds, Mr. Martinez. For example, you know, FTE funds from other programs can be used as matching funds. I have Mr. Spurlin from our Department of Education who is here and can tell you in more detail about that if you let me—if you want me to bring him forward.

Mr. MARTINEZ. Yes, please.

Mr. KYNOCH. He can tell you in much more detail.

Mr. MARTINEZ. Sure. Bring him up here.

Mr. KYNOCH. This is Jerry Spurlin, who is the Director of Vocational JTPA Programs for our Department of Education.

Mr. SPURLIN. Good afternoon, sir.

Mr. MARTINEZ. Good afternoon. The reason I am asking is because so many times we hear some confusion out there as to what different agencies—State agencies throughout the United States—can use as a part of that matching money. When many States are short of funds—actual funds that they can come up with—they provide services in kind, a plant facility, teachers, et cetera, et cetera. How do you handle that?

Mr. SPURLIN. In our State we have not found that the difficulty for meeting the match has been that that has occurred in other States. Part of that reason is because of the State funding formula and the local dollars that are put into the vocational education programs in our State.

In fact, with the 8-percent money and the dollar-for-dollar match, in the first 2 years of this program we have had better than a 3-to-1 match from one source and that one source being, in our State, the FTE dollars or full-time equivalency dollars that are put in by local and State general revenue dollars to support education.

Now that does not mean that matching has not created somewhat of a problem paperwork-wise. It is more of an accounting procedure than anything else, but in our particular State, we feel that education is the responsibility of the States in general anyway and because of that philosophy I think that a lot of the dollars that are being placed in local programs through the State legislature and through our local tax structure is putting dollars in there for the match sufficiently, so that the matching is not a problem for us.

Mr. MARTINEZ. That is good because in some cases we have heard where some States just simply cannot come up with the money and they are left without being able to have the actual dollars to

match. The Department of Labor has not established guidelines to help States determine what can be used for matching funds. This leaves them in the dilemma of being fearful of doing the wrong thing and then later being held libel for the use of those moneys.

Mr. SPURLIN. All the 3-percent set-aside moneys are—have been used and all of them have been matched, as I said, by better than a 3-to-1 matching fund and all that is by cash dollars generated at the local level. We have not chosen, because of the paperwork problem, for in-kind of establishing, you know, what is a legal or a justifiable cost for buildings or plant or in-kind services.

Mr. MARTINEZ. Thank you.

Mr. Williams.

Mr. WILLIAMS. Thank you.

Did I understand your testimony correctly that you were encouraging more specific Federal goals regarding interagency coordination?

Mr. KYNOCH. Not necessarily.

Mr. WILLIAMS. Could you expound on what your statement was?

Mr. KYNOCH. All right, sir. OK. I guess my concern would be that I would prefer to have the Congress not mandate an administrative way in which these funds should be utilized. In other words, mandate that the Governors use them specifically in their offices.

That obviously would not be acceptable. My testimony was, if those problems have arisen, and I assume some of them have and that is the very reason for the meeting, and if the Congress has some concerns about the use of those funds and possibly the, say, the interagency coordination activity related to those funds, I would much rather see you hold us more accountable for the goals so that, for example, and as I mentioned to you, the employment training——

Mr. WILLIAMS. Excuse me.

Mr. KYNOCH. Yes, sir.

Mr. WILLIAMS. Would you have us set the goals?

Mr. KYNOCH. OK, well——

Mr. WILLIAMS. Do you want to set them and have us hold you accountable for your own goals?

Mr. KYNOCH. OK. You are going to have to tell me what you mean by "set the goals."

Mr. WILLIAMS. Well, tell me what you mean by goals.

Mr. KYNOCH. OK, let us say, for example—OK, I guess we are both questioning here. Let us just say, for example, the one I used earlier in my testimony, that you are concerned that there is not enough cooperation between the Governor or certain executive branch agencies and the Department of Education.

Let us assume that may be a problem, so you would like to know—for example, you would like that to be a goal, to have strong interagency coordination cooperation among the education agency and the Governor or whoever is administering section 123 in the State.

What we are requiring on things along those lines in our employment training plan is that we require—we are requiring the local SDA's to provide us that information on interagency coordination, we are going to these people's boards, et cetera, et cetera, and what

that is going to achieve in terms of these three goals in our State plan.

What kind of cost efficiencies is that going to gain? Is that going to achieve the ability to leverage more funds so that, for example, funds in the Department of Labor—that is, State general revenue funds—are now going to be coordinated with some education funds to do some more apprenticeship-type activities? And how many jobs is that going to get?

These types of quantifiable results, I believe, are what a planning process should be about and not a process of how we are going to be transferring paper back and forth.

So, that was the context of my comment.

Mr. WILLIAMS. In the statement which you provided us, which is a good statement, and, by necessity more detailed than your verbal statement, you have this paragraph, which I would like you to expand on it for myself as well, if you will.

I am quoting now:

> We must all recognize that as a nation, we have a long way to go in developing coherent, national or state education and training policies which will help guide us through the difficult process of economic change in which we find ourselves. Federal leadership in creating bridges between the two systems would go a long way to energizing the process of coordination that must take place within the States. Unfortunately, we are too well aware that this important aspect of the Federal role in education and training has been sorely neglected over the years. We are encouraged by the U.S. Department of Labor's increasing interest in providing such leadership, especially related to youth development and worker adjustment issues.

I am particularly interested in your phrase "coherent national education and training policies." Would you have the Federal Government set for Georgia more coherent training and education goals?

Mr. KYNOCH. I believe what that statement meant, Mr. Williams—I certainly couldn't answer for Georgia, but in terms of what that statement would mean would not be specific goals for each State, but to ensure that goals for job training programs and education programs that are set up by the Federal Government are coherent and coordinated in nature.

Obviously, over the years there has been some going in different directions in those programs. I think the closer that they can become and the closer coherence to a set of goals for those programs, the more ability the States have to—than at the level we have—ensure more coordination cooperation among agencies, particularly in terms of agencies that have different governing bodies, somewhat different goals and missions in life.

It provides us more direction and more clout to get those things done at the State level.

No, I was not talking specifically in terms of the Congress setting the goals for each State. You know, the Congress would have some nationwide goals they would want to achieve, and we all have to do our part to articulate those goals and let us provide you our plans, our planning documents, how we are reaching them and what part each State is taking in reaching those goals.

Mr. MARTINEZ. Would the gentleman yield for a second?

Mr. WILLIAMS. Yes.

Mr. MARTINEZ. Just to expand on that thought and more on the question that Mr. Williams asked you. When you say "coherent,"

would a part of that coherency be in the Federal Government on the national level, by doing the kind of study that is needed to determine what jobs are going to be the jobs of the future?

I think back awhile when everybody was going to be an engineer and all of a sudden the bottom fell out of that, and engineers were a dime a dozen, and some of them ending up doing something completely different.

But in your mind, is establishing that kind of a policy separate from interfering with the State's rights to try to make determinations of their own?

Mr. KYNOCH. Mr. Martinez, on that particular issue, I guess I would be very concerned about the Federal Government setting those goals for jobs for certain categories of workers, for example, only because that is such a fast changing thing in this day and age.

You—we can all read in the paper about the high-tech revolution and all the changes that have occurred in just the last 3 or 4 years just in high technology.

I would be very encouraged about somehow getting locked in, whether that would be through Federal activities or, in fact, either—even State activities into local service delivery areas. These are the types of jobs you have to train for.

We undertake a very serious labor market information effort in our State, and we have—the State Job Training Coordinating Council is our labor market information committee, so we can try to keep the labor market information coordinated with our job training and job placement efforts.

That is a real moving target. I think that would be one that would be needed to be kept flexible.

Mr. MARTINEZ. So then, it is safe to assume that your statement would not lead anybody to believe anything like I said, but would be more in line with you setting your own curriculum and the kinds of vocational training you need. You'd also have from the Federal Government some sort of determination as to specific amounts of money spent in specific areas?

Mr. KYNOCH. I guess the—I will give you an example of the way that I think would be a very appropriate way. Let us say, for example, that there should be some more training or some additional type of training or some training in the Congress' eyes should relate to people achieving jobs. That is a major overriding goal of the Congress.

I think that is a goal that could be articulated, and then in terms of the expenditures of training dollars, we should demonstrate how those training programs are, in fact, getting people in the jobs and even the types of jobs, and that you would want to see that type of information for policymaking in the future.

Mr. WILLIAMS. Well, finally, Mr. Chairman, the discussion here is one that goes on in Washington constantly. I know the one you read about is our struggle with the budget and appropriations, but within that is a more important debate which is what we are talking about here, and that is the philosophical debate about what is the appropriate Federal role in education in America.

Americans discovered long ago that because of the size of this Nation, our economic, social, and geographic length and breadth, a central agency, rather, no central agency had enough wisdom to be

able to set all the goals and all the timetables for each school district in America.

And so, we have continued on all these years with enormous variety, and that has been our great asset in America. We have educational variety.

The liability in that has clearly been that variety has led to complexities. The American system of education is the most complex in the world, and it has also led to a significant lack of individual focused direction.

Americans are not sure whether they want their schools to turn out the front line of the Green Bay Packers, to feed their children, to be nurses, to provide opportunities for good eyesight, to teach math, or to get a race of people out of the back of the bus.

Our schools do all of those things in America, and now we have come to a time in the country when we have begun to compare ourselves, unfavorably in our own eyes, interestingly enough with the Japanese students.

We are comparing apples and oranges. Japan has strong central authority over every school in that country. You do not want that, so you have to have the complexities, the variety, the strengths, and you have to take some of the weaknesses with it.

And I think as long as we have the type of education system, which, in my judgment, works pretty well, the type of a multifaceted education system that Americans seem to want, then we have to take some of the bad along with some of the good.

Mr. MARTINEZ. Thank you, Mr. Williams. Mr. Kynoch, thank you. Mr. Spurlin, thank you.

Mr. KYNOCH. Thank you very much, Mr. Chairman.

Mr. MARTINEZ. Our next witness is Mr. Charles McDaniel, State superintendent of schools from Atlanta, GA.

Mr. McDaniel, welcome.

STATEMENT OF CHARLES McDANIEL, STATE SUPERINTENDENT OF SCHOOLS, ATLANTA, GA

Mr. MCDANIEL. Mr. Chairman, Mr. Williams, I am Charles McDaniel, the State school superintendent here in Georgia, and I welcome you folks to our State.

Today, however, I am representing the Council of Chief State School Officers. This council is an independent organization composed of the commissioners and superintendents of education from each of the 50 States, 6 extra-territorial jurisdictions, and the District of Columbia.

Members of the council are, for all practical purposes, the principal adminstrative officers of the public school systems of our country.

The purpose of my appearance today is to provide the council's reactions to the role of education agencies in the implementation of the Job Training Partnership Act.

My comments are organized according to the sections of the act which provide opportunities for participation of education agencies and the institutions in the implementation of the act.

In general, the council feels that schools and colleges have been contributing participants in these programs, but there have been

some problems. When you have 57 States or territories, you have different sorts of arrangements, different relationships between Governors and commissioners.

I bring to the subcommittee's attention three factors which, I believe, limit the involvement of education agencies in the implementation of the Job Training Partnership Act.

The council believes that the enforcement of the legislation and technical assistance would greatly reduce these restraints and ensure greater participation of the education community.

The written testimony lists specifically the parts of the act which we are concerned about, and I will pass over that because you have that in front of you.

Despite these provisions, however, which we believe were designed to maximize the utilization of education agencies and institutions for the provision of services, the involvement of education agencies and institutions in the implementation of JTPA has been limited in some States.

Not every State has the cooperation that we heard from Florida or that we have in Georgia. Certainly, some of the limitations on education's involvement can be attributable to the newness of the program and the educator's lack of familiarity with the program.

However, we believe that there are other factors which we have identified as contributing to the underutilization of education's potential to contribute to JTPA's operation.

The council has identified three general factors which we think impede the involvement of educational agencies.

No. 1, there are conflicting interpretations of sections of the legislation. I guess you have that on a lot of legislation.

No. 2, there is certainly a diverse political configuration throughout our 57 jurisdictions.

No. 3, there is resistance on the part of the employment and training community and, to a lesser extent, the education community.

It is new. We are not quite sure what needs to be done, and so rather than make a mistake, we just kind of put ourselves in a holding pattern.

These factors are closely related to the problems of the implementation of the sections of this act, particularly sections 123, 107(c), 141(1), 141(2), and of these impediments and ambiguities in the statute are perhaps the most susceptible to correction through enforcement mechanisms and technical assistance.

There are four specific issues which result, specifically in section 123. I will mention only a couple of them.

The use of State education agencies in section 123 has given the impression that governors have the option of making direct grants to local and State institutions that operate educational programs or are directly performing a statewide coordination role, thus replacing the statutory agencies in that role.

If, in fact, the legislative intent, as we believe it was, that the coordination of educational services occur at the State level through the State agency primarily responsible for the supervision of elementary and secondary education, the current definition of State education agencies is not sufficient.

That is one of the problems we see, as really what do we mean and what do you folks mean? What does the law mean by State education agencies?

In some States, elementary and secondary education and vocational education are administered by different agencies or in separate governing bodies. In other States, a single board does most of the coordination.

A clearer definition, if that were possible, is the establishment of enforcement of a statutory mechanism that would help ensure that State education agencies are able to perform that role for which we think we are best suited.

Another problem is associated with the involvement of diverse political configurations. This exists in a number of States, as I have already indicated. We have not only different configurations, but we also have dfferent relationships.

In some places things work well and programs are going fine. In others, one part of the configuration takes it and runs with it and does not share too much with the other partners.

As it is written in section 107(c), 107(c) does little to ensure that the existing appropriate education agencies will, in fact, be granted first right of refusal and we read that in the act, first right of refusal to provide these JTPA services, although it is clearly the intent of the legislation, as we interpret it, to bypass education agencies.

Private industry councils and service delivery areas must demonstrate that alternative agencies or organizations would be more effective in providing these needed services.

However, the statute does not provide standards for determining effectiveness, nor does it provide mechanisms for enforcing the standard.

As a result, in many States major providers of educational services have been excluded from involvement in the employment and training system.

And so, the council recommends that the Department of Labor, in collaboration with the State education agencies, establish procedures that guarantee this provision and guarantee that it will be implemented.

Finally, Mr. Chairman, we believe that the Department of Labor shouid encourage greater participation of schools in these programs.

Such encouragement, of course, does not require legislative action. It is really a matter of interpretation and a matter of getting the word out and communicating.

If these private industry councils will acknowledge the role and importance of schools in educating the Nation's youth, we think that schools serve about 85 percent of the age cohort targeted by the JPTA.

There have been increasing concerns with school dropouts and unemployment rates among our youths, and we feel that the programs—the JTPA programs are one of the most effective means of addressing these concerns.

However, in some States effective means of working with schools does not occur, does not exist. Congress cannot enact good will or responsible planning, but maybe with oversight, maybe with over-

sight, the subcommittee can encourage more cooperation between business and schools and employment and training communities.

We strongly believe that effective cooperation could be achieved if, first, the Department of Labor rigorously enforces closer adherence by the States to what we believe was the original intent of the legislation; and second, the Department establishes and sponsors regional technical assistance programs with the purpose of increasing the involvement of education agencies in the implementation of the Job Training Partnership Act.

I thank you very much, Mr. Chairman and Mr. Williams, for allowing me to speak on behalf of my 56 colleagues.

Mr. MARTINEZ. We thank you, Mr. McDaniel.

[Prepared statement of Charles McDaniel follows:]

PREPARED STATEMENT OF CHARLES MCDANIEL, SUPERINTENDENT OF SCHOOLS, STATE OF GEORGIA

EDUCATION AGENCIES: THE UNDERUTILIZED RESOURCE IN THE IMPLEMENTATION OF JTPA—ISSUES FOR OVERSIGHT HEARINGS

I. Introduction

Mr. Chairman, I am Charles McDaniel, State Superintendent of Schools in Georgia. I am here today representing the Council of Chief State School Officers (CCSSO). The Council is an independent organization composed of the commissioners and superintendents of education from each of the fifty states, six extra-territorial jurisdictions, and the District of Columbia. Members of the Council are the principal administrative officers of the public school systems in each state, and as such bear a heavy responsibility, along with our colleagues at the local level, for helping to ensure that our children are well served by the nation's educational systems.

The purpose of my appearance today is to provide the Council's reactions to the role of education agencies in the implementation of the Job Training Partnership Act (JTPA) of 1982. My comments are organized according to the sections of the Act which provide opportunities for the participation of education agencies and institutions in the implementation of the Act. In general, the Council has found that schools and colleges have been contributing participants in JTPA programs, but there have been problems. This is not to say that some areas have not had splendid cooperation or to infer that JTPA is not a needed program. I will bring to the Subcommittee's attention three factors which limit involvement of education agencies in the implementation of JTPA. The Council believes that enforcement of the legislation and technical assistance

would greatly reduce these restraints and ensure greater participation of the education community in the implementation of JTPA.

II. Provisions for the Involvement of Education Agencies in JTPA

Congress intended coordination among a variety of state and local public agencies in the implementation of JTPA. The design of the legislation stipulates a tripartite "partnership" of business, government, and education in the provision of services.

For instance, it is required that 70% of all JTPA funds be allocated for training and related services. The provisions for the involvement of education agencies are clearly stated in Sections 123, 107, and 141(o) which identify how education agencies and institutions are to be involved in the provision of these required training services.

The most significant of these provisions which delineate education's involvement in JTPA is section 202(b)(1) in Title II Part A which establishes an eight percent funding set-aside to carry out section 123, relating to state education programs. This eight percent set-aside is intended to assist State education agencies responsible for education and training to provide services for eligible participants and to facilitate coordination of education and training services for eligible participants through cooperative agreements.

The set-aside has several unique features which facilitate the delivery of education and training services:

- o There are no caps on spending for training or support services.
- o All 8 percent funds spent on training must be matched on a JTPA dollar for a non-JTPA dollar basis thus generating more cash for programs serving JTPA participants.
- o The eight percent programs can support most non-placement activities such as high school equivalency, English as a second language, or basic skills with the recognition that these activities have direct impact on the employment potential of persons.

Section 107(c) also defines a specific role for local education agencies by giving them the right of "first refusal" during the SDA's selection of primary service providers. It also expands the roles of local education agencies beyond the general ones mandated in Section 123 and reflects the stated purpose of JTPA for using the existing educational system.

Section 141(o) further mandates that Title II youth education programs be consistent with applicable state and local educational standards. This provides a strong tie between the operations of education agencies and JTPA program services.

The involvement of the education community in JTPA is not limited to these three sections of the Act. Congress further reinforced education's role through other significant provisions including:

1. the requirement that at least 40 percent of Title II-A funds must be spent on youth, both in-school and out-of-school;
2. the stipulation that Private Industry Councils (PICs) may develop certifiable employability competencies as legitimate positive terminations for youth;

3. the support of conventional and model educational programs as legitimate services under Title II (Section 204);

4. the encouragement of Employment Services to provide job exchange sites in local high schools under Wagner-Peyser;

5. the inclusion of educational interests on the Governor's advisory body, the State Job Training Coordinating Council; and

6. the enhanced representation of public schools, vocational education, postsecondary education, and private schools on local PICs.

III. Factors that Should be Addressed Through Enforcement and Technical Assistance

Despite these provisions, which were designed to maximize the utilization of education agencies and institutions for the provision of services, the involvement of education agencies and institutions in the implementation of JTPA has been limited in many states. Certainly, some of the limitations on education's involvement can be attributable to the newness of the program and educators' lack of familiarity with JTPA. However, CCSSO believes there are other factors which have been identified as contributing to the underutilization of education's potential to contribute JTPA's operation. The Council has identified three general factors which impede the involvement of education agencies in JTPA:

1. conflicting interpretations of sections of the legislation;

2. diverse political configurations under which the program is being implemented; and

3. resistance on the part of the employment and training community and, to a lesser extent the education community.

These three factors, are closely related to problems in the implementation of Sections 123, 107(c), 141(o)(1), and 141(o)(2). Of these impediments, ambiguities in the statute are perhaps the most

susceptible to correction through enforcement mechanisms and technical assistance.

Four specific issues result from ambiguities in Sections 123, 107(c), 141(o)(1), and 141(o)(2). First, use of "state education agencies" in Section 123 has given the misimpression that governors have the option of making direct grants to local and state institutions that operate education programs or of directly performing a statewide coordination role, thus replacing the statutory agencies in that role. If in fact the legislative intent was that the coordination of educational services occur at the state level through the "State agency primarily responsible for the supervision of elementary and secondary education," the current (and ambiguous) definition of "state education agencies" is not sufficient. In some states elementary-secondary education and vocational education are administered by different agencies and/or separate governing boards. In other states a single board does most or all of the coordination. A clearer definition, and/or the establishment and enforcement of a statutory mechanism would help to ensure that state education agencies are able to perform the role for which they are best suited.

The second problem is associated with the involvement of diverse political configurations and is exacerbated by ambiguities in the statute. As it is written, Section 107(c) does little to ensure that existing appropriate education agencies will in fact be granted first right of refusal to provide JTPA services, although that is the clear intent of the legislation. To bypass education agencies, Private

Industry Councils (PICs) and Service Delivery Areas (SDAs) must demonstrate that alternative agencies or organizations would be more effective in providing the needed services. However, the statute does not provide standards for determining effectiveness nor does it provide mechanisms for enforcing this standard. As a result, in many areas, major providers of educational services have been excluded from involvement in the employment and training system. The Council recommends that the U. S. Department of Labor (DOL) in collaboration with state education agencies establish procedures to guarantee that this provision be implemented.

The third problem regards Section 141(o)(1) which requires that all education programs for youth supported by Title II funds be consistent with applicable state and local standards. This section recognizes that minimum standards of education quality vary and it appropriately seeks to require adherence to educational standards while making allowances for local differences. While it is not necessary or desirable for the Act to provide nationwide standards, the Council recommends that DOL require assurances from states that minimal education requirements as stipulated by the appropriate state education agency are met. This is necessary so that employment and training program standards are consistent with existing state education standards.

The fourth problem involves Section 141(o)(2) which requires that standards and procedures used to award academic credit and certify educational attainment in programs supported by Title II, be consistent with the requirements of applicable state and local laws

and regulations. As previously noted, this language makes appropriate allowance for variations in state and local standards, but fails to provide a mechanism for defining and enforcing adherence to this requirement. We recommend that this requirement be implemented.

Finally, Mr. Chairman, we believe that the Department of Labor must act to encourage greater participation of schools in JTPA programs. Such encouragement does not require legislative action, rather it requires that Private Industry Councils acknowledge the role and importance of schools in educating the nation's youth; schools which serve about 85 percent of each age cohort targeted by JTPA. There has been increasing concern with school dropouts and the increased unemployment rates among our youth. We feel that JTPA programs are one of the most effective means of addressing these concerns. However, in some states effective means of working with schools does not exist. Congress cannot enact good will or responsible planning but through oversight, the Subcommittee can encourage better cooperation between business, schools, and the employment and training communities. We strongly believe that more effective cooperation could be achieved if 1) the Department of Labor rigorously enforces closer adherence by the states to the original intent of the legislation, and 2) the Department establishes and sponsors regional technical assistance programs with the purpose of increasing the involvement of education agencies in the implementation of the Job Training Partnership Act.

I thank you Mr. Chairman for this opportunity to present our views to the Subcommittee.

Mr. MARTINEZ. Mr. McDaniel, you noticed that Congressman Williams laughed when you referred to the fact that most pieces of legislation have conflicting interpretations to it, and this is certainly one of them.

In fact, you know, back to a statement you made where you suggest that it mandates education's participation in the PICS, actually it does not. It suggests, but it really does not mandate.

We could do it through encouragement rather than through trying to open the legislation up and then leaving a victim to maybe something worse.

As far as education agencies getting right of first refusal, what the law really states is that appropriate education agencies in a service delivery area shall be provided the opportunity to provide educational service unless—here comes the ambiguity—unless the administrative entity demonstrates that alternative agencies or organizations would be more effective or would have greater potential to enhance a participant's continued occupational and career goal. The word "unless——"

Mr. MCDANIEL. Negates the whole thing.

Mr. MARTINEZ [continuing]. Negates the whole thing. And we often write legislation that way, and I, like you, assume something, and then somebody points out a word to me. One word changes the whole thing.

In regard to that, what would your response be? Do you mean that you still feel that through encouragement and oversight that we can still have education and vocational training entities involved in this.

Do you think we could do it that way, or do you think we would have to take that word out?

Mr. MCDANIEL. I hesitate to recommend changing the law. Once you change the law, it opens the whole ball of wax up, and you never know what is going to come out of it.

I really believe that with oversight and encouragement, the oversight committee, the subcommittee, if you folks would take some stands—and I think you will—then I think you would help provide the cooperation and communication that we need.

In some States it works perfectly, you know, no problems at all. In other States, we, frankly, have a lot of problems.

Mr. MARTINEZ. I talked to Bob Jones the other night, and he seemed to be in agreement with that. I would hope that we could do it through encouragement and strong prompting from the committee, and we are going to attempt to do that.

Mr. MCDANIEL. Great.

Mr. MARTINEZ. Mr. Williams.

Mr. WILLIAMS. Mr. Superintendent, as you probably know, the Governor's Association and the U.S. Department of Education and a private corporation have all conducted surveys as to how States have used the 8-percent money in the first year, and the survey documents considerable variety among the various States.

So, let me ask you specifically about this State. Through the use of the 8-percent money, which groups—if you can identify them, are targeted for assistance, for the bulk of assistance and what kind of assistance? What kind of services are being provided?

Mr. McDANIEL. Let me ask for my assistant, Mr. McLeskey, to come forward and answer specifically, because he can give you the details which I am not able to provide.

This is Mr. Ed McLeskey.

Mr. MARTINEZ. Would you identify yourself for the record and give your statement?

Mr. McLESKEY. Yes, I am Ed McLeskey, and I work with the Georgia Department of Education, with section 123 of JTPA.

Mr. MARTINEZ. Thank you.

Mr. McLESKEY. Your question concerns groups, Mr. Williams, target groups?

Mr. WILLIAMS. Yes.

Mr. McDANIEL. For the money that has been used in our State, the majority.

Mr. McLESKEY. We—I would say that the majority of our programs serve a mix of youth and adult, about 50–50. We have—we do remediation. We do a lot of remediation for youth aged 16 to 21.

Mr. WILLIAMS. In school?

Mr. McLESKEY. In school and out of school. The majority of them are out of school, yes. Most of them are dropouts, and we do that in preparation for them to move into title 2(a) programs for further training.

Mr. WILLIAMS. Can you speak to the success rates or lack of success yet, or is it too early?

Mr. McLESKEY. I do not have any information in hand right now. We have been, I think, successful. We have improved the SDA's performance—their ability to meet their performance standards by preparing these participants, you know, for them entered in 2(a) programs.

Mr. WILLIAMS. Well, many of us, I think the bulk of us in Congress, are very hopeful that such efforts will be successsful, particularly those efforts that are focused on the out-of-school youths, particularly dropouts.

I think all of us have come to realize now that America is fast approaching a problem which threatens us as a people and as a Nation, and that is that our dropout rate among young people is far too high, is growing at much too fast a rate, that the difficulties of the growing number of functional illiterate Americans is reaching dangerous proportions, and that if we do not find a way to break that wave or stem that tide, we are going to find that before this century is out—and we do not have long to go—that we really have two Americas: a literate America and an illiterate America.

And we already know the income levels and the color of the illiterate America, and it is a matter which this Nation of generosity and ability cannot permit, therefore we are hopeful for your success.

Mr. MARTINEZ. Thank you, Mr. Williams.

Thank you, Mr. McDaniel and Mr. McLeskey, for your fine testimony. We appreciate it.

Mr. McDANIEL. May I?

Mr. MARTINEZ. Yes, please.

Mr. McDANIEL. I am very impressed, Mr. Williams, with your understanding of the educational system of our country. I must and

want to point out to you that, unfortunately, in this particular section of our country we have always had two Americas.

I started school in the first grade. There were almost 100 of us in the first grade. I graduated with 16. So, it is not new.

As a matter of fact, we really are doing a much better job now than we did 40 years ago, but it is still very, very bad, and I appreciate your understanding and look forward to your assistance in helping us to upgrade this whole business of providing enlightenment in education and skills to our society.

Thank you very much. Thank you, Mr. Chairman.

Mr. MARTINEZ. Thank you.

We next will have the introduction of our first panel. Our first panel will consist of Mr. Ron Chandler, associate director of vocational education/employment training, Virginia Department of Education; Mr. Morgan Lewis, National Center for Research in Vocational Education; Mr. Kadamus, assistant commissioner for occupational and continuing education, New York Department of Education.

Thank you all for appearing today. I would like to announce that your written testimony was entered into the record in its entirety. Would you please summarize, and we will abide by the 5-minute rule.

STATEMENT OF RONALD CHANDLER, ASSOCIATE DIRECTOR VOCATIONAL EDUCATION/EMPLOYMENT TRAINING, VIRGINIA DEPARTMENT OF EDUCATION

Mr. CHANDLER. Thank you, Mr. Chairman Martinez and Mr. Williams.

My name is Ronald Chandler, and I am the vice president of the Employment Training Division of the American Vocational Association.

The membership of this division, Mr. Chairman, is made up of persons from the State and local levels that administer and operate programs, educational programs, that are funded in part or in full with funds from the Job Training Partnership Act.

My purpose for being here today, sir, is to share some of our concerns about educational programs as we are operating them under JTPA. For the purpose of this testimony, I would like to confine my remarks to section 123, sir.

Mr. MARTINEZ. Very well.

Mr. CHANDLER. Section 123 of the act is, as we are all aware of, sir, is that section that designates an educational grant for the State that are known as the 8-percent funds to those of us that work in the business, if you will.

The act under the regulations further states that these funds will have special characteristics that we feel set them aside from the other JTPA funds.

For example, there are no strict performance standards on these particular JTPA funds as there are some of the others. The funds are not mandated to be allocated to the SDA's as some other funds are. There is no spending cap on these funds—on some of the funds, the supportive services section funds, as there are in other areas.

There is a broader window with these funds for serving people that do not meet the disadvantaged category and also these funds, as we know, have a matching requirement.

We think, sir, that the special inclusion of these funds in the act, as well as these particulars that were given to these funds, make a special case for the involvement of the State educational agency. It gives us at the State educational agency, the opportunity to operate special—these special programs. It gives us the flexibility to operate these special programs and try to design innovative and special programs that will in fact serve the JTPA populations.

We think, Mr. Chairman, that the act is clear as to the involvement of a State educational agency in the operation of JTPA programs. We have found out, however, that the involvement of a bona fide State educational agency in JTPA, at the State level, has not always taken place.

In a recent survey that has been done by a group of southeastern States, we have found that in some States across the country that the Governor is in fact bypassing the State educational agency and these funds are being assigned to other State agencies. The survey also showed, Mr. Chairman, that in some cases the 20-percent section of the 8-percent funds are being held back by the Governor's office of employment training or some such other office, depending upon the State in which this is happening, to be used for that office for other purposes.

Again, Mr. Chairman, we believe the law to be clear here. In reviewing the JTPA committee report prior to the passage of JTPA, we found that the committee showed that there in fact, at one time, was consideration for two set-asides, a 6-percent set-aside and 2 percent. Again, we found the committee report to be clear and that they combined these two set-asides into one single set-aside for the State educational agency.

We also found that in some cases when the State educational agency was bypassed, but their lack of involvement when they were not bypassed—excuse me, that though they were not bypassed, their involvement was not to the degree that we feel the law intended.

Certainly if the involvement of the State education system is important, and we feel it is, there should be no holding back of funds to the State educational agency. This could, in fact, impede the involvement or the commitment of the State educational agency in the provision of training programs for JTPA constituencies.

The National Governor's Report, as a matter of fact, has issued a paper concerning the 8-percent programs recently. It dealt with the innovative programs that could be designed with the 8-percent funds it dealt with, especially with the flexibility that is built into the 8-percent funds in designing innovative programs for the JTPA.

However, we cannot agree with the section of that report that does indicate that the Governor has the authority to indicate that these funds be given to other agencies other than what we feel is a bona fide State educational agency.

I might also say that we are aware of—that one State, in fact, and the Governor did indicate that there would be—the 8-percent funds might be assigned to another agency aside from the educational community. The educational agency in that State sought and received an opinion from their State's attorney general to the intent of the act. Their State's attorney general indicated that the law is clear, that the funds should be designated to the State educational agency, which did in fact take place.

It is unfortunate that those kinds of situations did exist or had to exist and hopefully—or may exist still. It is estimated that the educational system is now providing approximately 70 percent of the programs for the JTPA participants at the local level. If these figures are accurate then certainly the participation level of the education community is high.

We feel this could continue. However, we are concerned that the bypassing of a State educational agency could again impede its involvement of the local educational system of JTPA. There are instances, in fact, in which a local educational system may not be willing to or be hesitant to participate in a program at the local level unless their State counterpart is participating in the same program.

Again, to repeat myself, we think that the law is clear as a matter of fact as to the assignment of the 8-percent funds to the proper State educational agency. However, since there does seem to be some confusion we would like to suggest the following:

The language in section 123 be amended or be made more specific as to the definition of a State educational agency and this language should only reflect a bona fide State educational agency.

It is our position that a Governor's choice under section 123 be limited to the following types of agencies:

The State education agency responsible for elementary or secondary schools; or a State agency responsible for vocational or technical education; or a State agency responsible for community and technical colleges and higher education; or finally, a combination of any of those agencies.

We also suggest, sir, that the language in section 123 be amended or be made more specific as to congressional intent, as to the split of the 80–20 split of the 8 percent, that there should be no holding back of the 20 percent for another agency and the 80 percent be assigned to an agency. If there is going to be a split, then the split should be even across the board. Fifty percent of the 8 percent goes to one agency and 50 percent of the 80 percent should go and 50 percent of the 20 percent should go along with it. The coordination money should accompany the training funds.

We believe that a clarifying change, Mr. Chairman, in the law would probably be the best way to correct to this situation here; however, we understand this may not be possible. If, in fact, this is not, we would ask that the Department of Labor be directed to inform the States of the proper intent of section 123 and that they be asked to monitor the States to make sure that they are in compliance.

Mr. Chairman, I certainly want to thank you for the opportunity to present this testimony today.

[Prepared statement of Ronald Chandler follows:]

PREPARED STATEMENT OF RONALD H. CHANDLER, VICE PRESIDENT EMPLOYMENT TRAINING DIVISION, AMERICAN VOCATIONAL ASSOCIATION, ATLANTA, GA

Good afternoon, Mr. Chairman Martinez and Mr. Williams. My name is Ronald Chandler and I am the Vice-President of the Employment and Training Division of the American Vocational Association. The membership of this division of the AVA is made up of persons from the state and local levels that administer and operate educational programs that are funded either in part or in full with resources from the Jobs Training Partnership Act. On behalf of the membership of the division I want to thank you for taking the time from your schedules to be with the AVA here in Atlanta.

My purpose in being here today, Mr. Chairman is to share with you and the committee some of the concerns that we as an association and as persons operating programs have in relation to the J.T.P.A.

For the purpose of this testimony this afternoon I will confine my remarks to Section 123 of the Act.

SECTION 123

Section 123 of the Jobs Training Partnership Act is that section of the Act that addresses an Educational and Coordination Grant for State Educational Agencies.

While the education community as a delivery system and as a source of technical assistance is mentioned and/or mandated a number of times in the Act the single most important part of the J.T.P.A. that deals with the education community is Section 123.

The Act states that sums available for this Section shall be used by the Governor to provide financial assistance to any State Educational Agency responsible for education and training (1) to provide services for eligible participants through cooperative agreements between any State Education Agency or Agencies, administrative entities in service delivery areas in the State and (where appropriate) local educational agencies; and (2) to facilitate coordination of education and training services for eligible participants through such cooperative agreements.

The Act and/or the accompaning regulations further stipulate that these funds will have certain characteristics that set them apart in some degree from other funds in the J.T.P.A. For example (1) these funds do not have to be allocated to the SDAs on a strict formula basis; (2) these funds do not have the strict performance standards that other J.T.P.A. funds have; (3) there is no spending cap on the supportive services portion of these funds as there is on other J.T.P.A. funds; (4) these funds have a broader (25%) window for persons that do not necessarily meet the economically disadvantaged category and (5) these funds require a non-J.T.P.A. match.

We believe that the specific inclusion of these funds in the Act and the flexibility given to these funds as stated above mandate a significant role for the educational system at the State level and gives that system the parameters in which to administer, design, package or to operate special innovative educational programs for the J.T.P.A. target population. In fact the National Governor's Association, in a recent publication "Getting 100% Results From the Eight Percent (8) Education Set-A-Side", focused on the importance of the 8% funds in increasing involvement between the State Educational Community and the Employment and Training Community and the importance of the flexibility of the 8% funds in being able to create innovate programs.

Mr. Chairman, the intent of the Act is clear as to the involvement of a State Educational Agency in the Employment and Training Process. We have however, found that the involvement at the State level of a bona-fide State Educational Agency is not always taking place. Our concern here is that this exclusion of State Educational Agencies might tend to expand unless proper steps are taken at the federal and state levels.

In a recent survey taken by the J.T.P.A. Consortium of Southeastern States Education Agencies showed that of 28 states reporting six state educational agencies were not designated as the recipient of the 8% educational

grant funds. In reviewing the survey we also found that although certain states were designated as recipients they were not involved in the J.T.P.A. process to the extent that the Act intended. The survey also showed in some states where the State Education Agency was designated as the recipient of the 8% funds some or all of the 20% funds were held back by the Governor's Employment and Training office or some such equivalent to be used for other purposes. Again, Mr. Chairman, we believe the law to be clear on the issue of splitting the 8% funds in this manner. In reviewing the J.T.P.A. Conference Committee report that dealt with this issue, before J.T.P.A. became law, it showed that the issue of two separate educational set-a-sides were discussed and resolved by combining the two into one single set-a-side. Indeed there is no provision in the current Act that provides for a split of the 20% from the 80%.

The survey also showed that in some states the funds were merely passed through the State Educational Agency and given directly to the SDAs to be used in the same manner as other Title II-A funds or in some cases a formula was mandated as the method of allocating 8% funds to SDAs.

Certainly if the involvement of the State Educational System in the operation of J.T.P.A. is important, and we believe it is, then there should be no holding back of these funds to the State Educational Agency that could impede the involvement or the commitment of the educational community. There should be no passing by of the State Educational Agency and there should be no development of duplicative agencies to provide what is already there.

We cannot agree the same National Governor's Association Report that I referred to earlier when they state that the Governor may assign the 8% funds to any state agency including the State J.T.P.A. Agency if appropriate. I might say, at this point, that I am aware of one state that originally had intended to assign the 8% to an agency other than the state educational agency.

When this occured the state educational agency sought and received an opinion from their State Attorny General that stated that the law was clear and that the state educational agency should receive the 8% funds. The state educational agency eventually did receive the 8% funds.

It is unfortunate that this kind of situation had to exist and possibly still may exist. It is estimated that the educational system at the local level now provides 70% of the training to J.T.P.A. participants. If these figures are accurate then certainly the participation level of the educational system is high. We believe, however, the potential for this kind of participation to continue will be jeopardized if any trend were to develop that would lead to the lessening of the involvement of the state educational agency.

There are instances in which local education systems will not become involved in programs outside of the normal educational process until their state counter-parts are likewise involved. The "bottom line" result of this whole situation will be the weakening of an existing delivery system for J.T.P.A. and this will obviously adversely affect the J.T.P.A. participant.

Mr. Chairman, again may I say that we believe the Act to be explicit as to the involvement of state educational agencies in the J.T.P.A. process, however, since there seems to be some confusion about the issue we therefore would like to request the following:

1. Language in Section 123(a) should be amended to be more specific as to the definition of a State Educational Agency and this language should only reflect "bona-fide" state educational agencies. It is our position that a governor's choice under Section 123 be limited to the following types of agencies.
   (a) The state agency responsible for elementary and secondary schools; or

(b) A state agency responsible for vocational or tehcnical educational schools; or

(c) A state agency responsible for community and technical colleges and higher education institutions; or

(d) A combination of any of these agencies.

2. We also suggest that the language in Section 123 be amended to reflect Congressional intent concerning the 80%-20% split of the 8% funds. In other words not splitting the 20% from the 80% but keeping them together as one grant. If there is to be any split then the entire grant should be split equally. In other words an equal part of the 20% and the 80% should go to each recipient.

While we believe that a clarifying change in the statue would be the best way to correct the situation presented today, we also understand that this might not be possible. In that case, Sir, we would ask that the Department of Labor be directed to inform the states of the intent of the Act relevant to Section 123 and to monitor the individual states to ensure that they are in compliance.

Mr. Chairman, there are other concerns involving the educational J.T.P.A. process that I am sure you will hear about from my colleagues on this panel, also, let me say that I am aware of the great involvement that the education community already has in the J.T.P.A. process and I believe that this involvement will continue to grow if the concerns expressed here this afternoon are correctly addressed.

Thank you for this opportunity to present this testimony.

Mr. MARTINEZ. Well thank you, Mr. Chandler. Mr. Lewis.

STATEMENT OF MORGAN LEWIS, NATIONAL CENTER FOR RESEARCH IN VOCATIONAL EDUCATION, ACCOMPANIED BY DELINA HICKEY

Mr. LEWIS. Mr. Chairman, Congressman Williams, thank you for this opportunity to report on some of the background work which we at the national center have been doing in preparation for our congressionally mandated study of vocational education, JTPA coordination.

I am Morgan Lewis. I am a research scientist at the national center and accompanying me today is Delina Hickey, who is the coauthor of the background statement which was presented to the committee and also formerly an advanced study fellow at the national center.

And Dr. Hickey, while she was an advanced study fellow at the national center, conducted case studies in seven States of the 8-percent set-aside and much of our testimony and our comments today will be based on her studies.

I want to emphasize that this is not the congressionally mandated report. What we are reporting today is based on our background work for that congressionally mandated study, and it is based on our review of the literature on coordination, it is based on conversations we have had with many knowledgeable individuals, and it is based on Dr. Hickey's case studies.

We propose the definition of coordination in the written statement, which I will not repeat here, but it is guiding our work. Its emphasis is on the shared benefits of coordination, the necessity for communication between the parties involved in the coordinated effort, and an emphasis on improving services or eliminating duplication.

As I am sure you are aware, the early studies of CETA and JTPA and Vocational Education Coordination did not indicate very high levels and it seems that the early studies on JTPA-VocEd Coordination have been moving toward more coordination. There does seem to be some movement from the condition that existed under the previous comprehensive employment and training situation.

Despite the increase in this coordination, there are still some factors which seem to be limiting the amount of institutional training which JTPA participants are taking and these are primarily the lack of a training statement available to the trainees, the short training period and the emphasis on low cost which is incorporated in the performance standards and the necessity for the individuals to move quickly from the training program into a paid job.

And this seems to be putting the emphasis primarily on on-the-job training as opposed to institutional training.

The method of allocating the responsibility and then allocating the 8-percent funds has been referred to by Mr. Chandler already and the literature which we have reviewed indicates, just as he pointed out, that in many cases the educational agency—the chief educational agency within the State is not receiving this responsibility and even when they are receiving this responsibility, there are sometimes constraints wihch prevent them from allocating the

funds in the way which would be conducive to improving coordination.

The one practice for allocating funds which seems to be most opposed by the PIC's, the [private industry councils], is direct allocation of those funds to local educational agencies without involvement of the PIC's, so that they have some determination about how the funds are going to be used in their service delivery area. That seems, from the comments we have gotten and the literature we have looked at, to produce a lot of resistance.

I will now shift to Dr. Hickey who will report on some of the results of her case studies on centers and constraints on coordination.

Ms. HICKEY. Thank you, gentlemen.

I would like to repeat that this was a piece of research of my own design as an advanced study fellow at the National Center. I was accepted at the center to conduct this research. It is a seven-State case study.

Basically, what I did was visit four of those States and talk to educators from the State level to the private industry council level, with educators on the PIC's as well as vocational educators of the local level. So I think I have a global picture of how the 8-percent functions within each of the four States that I focused on.

The additional three States were individual involvement with key educators in those States and I also conducted case studies with those people.

One of the things that I found, when talking to educators at all levels, both State and local, was the concern that each of these States are unique entities and that when considering implementation, particularly around coordination, which was the focus of my study, that we need to consider those environments, the economic, the political, the demographic environments and that Federal lawmakers need to take these differences into account when drafting Federal legislation in developing policy.

They also indicated some of the incentives and the disincentives to bring about the coordination effort and I have listed them in the paper, but perhaps I can go through them very quickly for the other people here.

One of the most—the strongest incentives these educators said they needed was a strong message from the Governor that coordination is a high priority. If a Governor in fact said that coordination should take place, indeed, it seemed to be happening. A comprehensive State plan for economic development, again driven primarily by State level educators, and common goals at the State level, preferably ones that are measurable and in one State's case thinks like reducing the illiterate rate was given as an example.

That the Governor provide some financial incentive for the coordination. In addition to the JTPA funds, that the governor comes up with state funds to help this coordination effort and that State legislation that exists on the books, and it was interesting for me to find out that such things were there, that impeded coordination be removed and, in fact, some States are doing just that.

That creative approaches to coordinations be given positive publicity and there be some protection for these creative approaches.

People can take risks and the penalties are not that great if, in fact, there is some failure. In my paper I indicate that I put failure

in quotes, meaning that I do not think there is such a thing as failure. It is just learning a new piece or a new way of doing things and perhaps maybe modifying it the next time around, and a tolerance for some of those processes that do not work quite the way they had planned.

Again, the involvement of the enthusiastic educators throughout the states and that from the Federal level that success be measured within the context of the states as opposed to some national norm. How do you define coordination in one State versus another? It may be very different again based on the circumstances.

Specific disincentives from these educators' point of view were reduction in funding based on good coordination efforts. Some States indicated that when we became more efficient and effective we received fewer dollars the next time around and is that an incentive to continue to coordinate, or a rigid standard—adherence to a standardized criteria for coordination that the Federal educators would put in place so that the States would not have the flexibility and the mobility to coordinate in ways that they felt were most meaningful.

Complicated budgeting systems which discourage or disallow whole funding of efforts, and I heard that at every level. That the budget system is so complex that we really cannot joint fund a particular project or becomes—it is too burdensome.

One of the other things, a highly publicized negative attitude toward an agency or an agency involved in coordination. That agency that felt that they were under siege in some way did not really feel that they wanted to participate in this activity. In some States there existed a competition between agencies for those 8-percent dollars. Again, another disincentive to coordinate and really work well together. And funding level which fluctuate from month to month or did not allow the continuation of programs where the coordination effort had been in place.

I also include some more specific examples of the difficulties encountered in the paper that you might want to look over and perhaps have some questions about.

Mr. MARTINEZ. Excuse me just 1 minute.

Were we provided with copies of that?

Mr. LEWIS. Yes; you were.

Ms. HICKEY. Yes.

Mr. MARTINEZ. The study?

Ms. HICKEY. Not the study.

Mr. LEWIS. Not the study, just paper.

Mr. MARTINEZ. Oh, will this will be released in January?

Ms. HICKEY. January, yes.

Mr. MARTINEZ. OK, so you will make those available to us?

Ms. HICKEY. Yes; I will.

Mr. LEWIS. I would like to clarify that, Mr. Chairman. We will begin our study, our congressionally mandated study of coordination between JTPA and VocEd in January and we will report to the Congress in February 1987. Dr. Hickey's study was done while she was an advanced study fellow over the past academic year.

It is in the final stages of being prepared for release, but this is her individual study. It is not the congressionally mandated study.

Mr. MARTINEZ. Well, then the Chair would request that you provide that for us so we could have it for the record.

Ms. HICKEY. Certainly.

Mr. LEWIS. We list some preliminary conclusions in the paper based on Dr. Hickey's study, or review of the literature in our contact with knowledgeable people. I have previewed one of those conclusions already. It does appear that there are more efforts going on to align programs and to eliminate duplication than there have been previously.

Each State stresses the uniqueness of its—and each locality actually, of its own particular situation and there does seem to be a need for more technical assistance from the Federal to the State level, so that there can be more technical assistance from the State to the local level to carry out the policy initiatives which are contained in this.

And finally, and this is a more tentative conclusion, but there is such variability even at the local level within States which have similar State policies and are under the same national legislation that it seems to us that in many cases the quality of coordination depends on the personal relationships that develop between vocational educators and employment and training professionals and that practices which encourage those two communities to work together to receive funds, to plan to receive funds, may have the most potential for developing the kind of coordination we would all like to see happen and we will have the—we will be initiating the mandated study within the next month and we will have the full report of that for the Congress and the Secretaries of Education and Labor in February 1987.

[Prepared statements of Morgan Lewis and Delina Hickey follow:]

PREPARED STATEMENT OF MORGAN V. LEWIS AND DELINA HICKEY, NATIONAL CENTER FOR RESEARCH IN VOCATIONAL EDUCATION, THE OHIO STATE UNIVERSITY

Mr. Chairman, members of the Subcommittee, we appreciate this opportunity to acquaint you with some of the background work that we at the National Center have done in preparation for our study of joint planning and coordination between programs assisted by the Carl D. Perkins Vocational Education Act and the Job Training Partnership Act which will commence in January, 1986.

I am Morgan Lewis, a Research Scientist with the National Center and with me today is Delina Hickey a Senior Research Specialist at the National Center. As I am sure you are aware, the Perkins Act assigns to the National Center the responsibility to report annually on the extent, efficiency and effectiveness of joint planning and coordination under the two acts. In preparation for this study, we have talked with many knowledgeable individuals, including staff of the National Commission for Employment Policy, and reviewed several relevant studies. Dr. Hickey has recently conducted case studies in seven States on the implementation of Sec 123 (a) of the Job Training Partnership Act (JTPA) which mandates an 8 percent setaside of funds for coordination with education.

In addition to Dr. Hickey's case studies, we are aware of two other focused examinations of the use of the 8 percent coordination setaside, one by Pritchard (1984) and the other by Darr, Hahn, and Osterman (1985). Studies of the early implementation of JTPA have examined coordination as one of the several issues addressed (Cook et al. 1985; Walker, Feldstein and Solow 1985; Comptroller General of the United States 1985;

National Alliance of Business 1985). Our remarks today are based on these multiple sources.

I wish to emphasize that this is not the report of the National Center's Congressionally mandated study. We are still in the preparation phases for that study which is scheduled to begin in 1986 and to be reported to Congress and the Secretaries of Education and Labor in February 1987.

Defining Coordination

Working from several studies of coordination, we propose the following definition of the concept:

> Actions designed to achieve common objectives and intended to improve services or prevent duplication that are taken with the joint knowledge of the parties in a relationship.

All of the words in the definition were carefully chosen and the reasons for using them warrant further explanation.

> Actions - this word implies that actual steps have been taken: meetings held, memoranda sent, agreements signed, clients referred, funds transferred, staff relocated and so forth.
>
> designed to achieve - these words are proposed to indicate that the focus is on coordination not on the effectiveness of programs. If the actions taken by or between two parties are intended to achieve their common objectives, they qualify as coordinated if both parties are informed of the actions. It is not necessary to determine if the action actually achieves the desired objective.
>
> common objectives - these words imply the shared or mutual benefit that most research has established as essential to coordination. They are not meant to imply that the objectives are jointly determined. If, for example, a postsecondary institution and a Private Industry Council (PIC) have a common objective of retraining dislocated workers, it is not necessary that they arrived at the objective through consultative process.
>
> intended to improve services or prevent duplication - this phase implies that the parties in a relationship acknowledge

that it may be necessary to modify their own programs to achieve the common objectives.

joint knowledge of the parties in a relationship - this phrase indicates that communication is essential among the parties in a relationship if there is to be coordination. There may be as few as two parties or several. The word "all" was purposely not included. A PIC could be involved in several relationships with different vocational institutions in its Service Delivery Area. For these relationships to be considered coordinated, it is only necessary that each of the vocational institutions be aware of its relationship with the PIC. It is not necessary that each of the institutions be aware of all of the other relationships.

Factors Influencing Coordination

Most reviews of the status of coordination between vocational education and employment and training programs coordination conclude that various situational and institutional factors have prevented success (Bailis 1983; Drewes 1980; Ketron 1981; Riffel 1981; Starr et al. 1981). These factors include (1) the complexity of the two systems, (2) the difficulties of aligning a state-local system with a federally directed system, (3) the lack of experience and resources in the public schools for meeting the needs of disadvantaged youth, and (4) simply the fact that independent, education and training programs are less demanding to manage and administer.

Ketron (1981) makes this last point most forcefully. Citing a previous study the firm had conducted on coordination between employment and support programs (not just vocational education):

> This study found that coordination between programs was rare, and in those areas where it did occur it followed no consistent pattern, being rather the product of local initiative and desires. At the operating level, at least, it was clear that no unifying impetus was operating to bring about coordination even though the body of laws and

> regulations should have brought about at least some recognizable, common response between programs. (p. 38)

Although there were some complaints about structural problems in laws that inhibited coordination, particularly unilateral requirements to coordinate, the general view was that the lack of coordination was neither due to barriers in the law nor due to a conscious effort to circumvent federal requirements. "The lack of coordination was simply the result of operational necessity: staff found it easier to operate independent of other programs and believed that this independence promoted program effectiveness" (ibid., pp. 2-3, emphasis added).

Although the status of coordination, as described in the reports cited, is not encouraging, it does appear to be improving. The most recent study of coordination under CETA in fiscal year 1983 (Bailis 1984) found that of nine different groups, vocational education and other public education programs generally had the best relationships with prime sponsors.

Early evidence of vocational education-JTPA coordination is also encouraging. In the fall of 1983, the National Alliance of Business (1984) surveyed all service delivery areas (SDAs) set up under JTPA. In 92 percent of these SDAs, public schools were being used to provide training. Studies by Westat (Cook et al. 1985) and Walker, Feldstein, and Solow (1985), however, indicate the absence of training stipends, and the emphasis on high placement rates and short training periods have been pushing JTPA programs toward older, more job-ready participants who can profit from on-the-job rather than classroom training.

The strongest mechanism in either the Perkins Act or JTPA to foster coordination is the 8 percent set-aside of a State's Title II-A allocation under JTPA. These funds are to be used by the Governor to provide financial assistance to any State education agency responsible for education and training to--

- o provide services for eligible participants through cooperative agreements, and
- o facilitate coordination of education and training services. [P.L. 97-300, section 123(a)]

Pritchard (1984) found that during the initial implementation period, (November 1983 through January 1984) the 12 States she studied "were working out organizational and administrative arrangements to accommodate the 8 percent as well as other facets of the new law" (p. 36). Vocational education agencies received the responsibility to administer the 8 percent funds, in 5 of the 12 States in her study. The National Governors' Association (1984) survey of 35 States found that in 21 of the services portion of the 8 percent set-aside was transferred to the State education agency for administration.

Three main methods are used to allocate the 8 percent funds: (1) formula allocation, (2) requests for proposals, and (3) sole-source grants. Of the three, direct allocation to local education agencies is the least popular with private industry councils; because it reduces their influence on how the 8 percent funds are spent in their areas (Walker, Feldstein and Solow 1985). Some States have responded to this criticism by allocating funds to SDAs and requiring the PICs to develop cooperative agreements directly with local educational agencies for their use.

The request for proposal (RFP) process can be used to combine State leadership with local initiatives by requiring local cooperative planning on the part of fund recipients. Darr, Hahn and Osterman (1985) describe several of these different methods and propose guidelines and program models for using 8 percent funds. Their guidelines are as follows:

- o A capable State-local planning process will carefully consider the circumstancers of a given State and its localities.
- o Innovation must be defined locally and will have endless possible adaptations.
- o Because strategies and goals are by nature general, there will always be more than one possible program to implement them.
- o Just as different programs can carry out the same goals, one program type can be justified according to several strategies.
- o Program design should be knowledgeable about National and other program evaluation and other professional literature. (pp. 17-19)

Darr, Hahn and Osterman then propose seven alternative goals for the use of 8 percent funds:

1. Improving basic skills.
2. Improving student retention and completion.
3. Educating those who have already dropped out.
4. Stimulating competency-based instruction and meaningful credentials
5. Linking economic development with education
6. Meeting skill demands in the private sector
7. Linking serves into a coherent sequence (pp. 19-30)

Dr. Hickey's study in seven States dealt directly with how the 8 percent requirement is being implemented. The State and local level administrators and policy-makers whom she interviewed were eager to discuss some of the incentives and disincentives for coordination. They all claimed that State and local environments (economic, political, demographic) affect significantly the level and quality of the coordination effort and that Federal law makers need to take these differences into account when drafting Federal legislation and developing policy. The following are examples of incentives and disincentives she identified:

Incentives for coordination

1. Strong message from the governor that coordination is a high priority
2. Comprehensive state plan for economic development of which education, employment, and training can be a part
3. Common goals at state level, preferable ones that are measurable and toward which all agencies involved in education, training, and employment can work (for example, decrease illiteracy by a specified percentage).
4. Governor provide financial incentives to agencies that engage in agreed upon coordination criteria, e.g., monies for equipment, minimum grants, for experiment, etc.
5. State legislation that removes impediments to coordination
6. Creative approaches to coordination efforts, for example, by giving positive publicity to the agencies involved
7. Protective (state agency) umbrella for risk taking with regard to innovative coordination
8. Technical assistance to LEAs and PICs
9. Evolution of programs, tolerance for "failure," and acceptance of the unsuccessful attempts at coordination of the process of evolving better programs for the long term

10. Involvement of the most enthusiastic actors

11. Action plans for coordination agreements which drive funding, not vice versa

12. Success measured in the context of the State and local environment in which it has taken place rather than against national norms

Disincentives for coordination

1. Reduction in funding based on more efficient use of education, employment, and training systems

2. Rigid adherence to a standardized criteria for coordination [unwillingness to consider state/local factors]

3. Complicated budgeting systems with discourage/disallow co-funding of projects

4. Highly politicized negative attitudes toward agency or agencies involved in the coordination efforts

5. Creating competition between agencies for specific dollars (i.e., 8 percent funds)

6. Funding levels which fluctuate from month to month

While Dr. Hickey found many states moving in the direction of greater coordination, circumstances that impede coordination do exist. Some examples of the difficulties encounterd are as follows:

1. A State level situation where education/vocational education is undergoing a great deal of reform and where there exists considerable confusion regarding roles and responsibilities in preparing people for the job market.

2. Local situations in which the PIC staff feel some hostility toward the LEAs primarily because of lack of contact and information.

3. SDAs that incorporate several LEAs and have a tradition (dating back to CETA) of dealing with only one LEA creating tension and friction between LEAs.

4. A general misunderstanding on the part of all actors involved with regard to performance standards.

5. Local LEAs organizational and administrative structures that are too rigid to accommodate quick start programs, evening or weekend classes.

6. Elaborate budgeting systems that create a burden for the LEA running the program.

Preliminary Conclusions

On the basis of this background information, we have arrived at some preliminary conclusions which we shall test further in the National Center'study, beginning in 1986. First, it appears to us that the emphasis on coordination in the Perkins and JTPA acts is causing more efforts to align programs and eliminate duplication. Second, each State and locality stresses its uniqueness and an awareness of each particular context is necessary to assess the degree to which Federal policy initiatives have been implemented. Third, technical assistance from Federal to State level and State to local level is needed to provide effective policy transmission. Finally, it often appears that coordination depends ultimately on the personal relationships that develop at the local level. Federal and State policies that encourage vocational educators and employment and training professionals to plan together to receive funds provide a means of encouraging the kind of personal relationship that frequently underlie effective coordination between programs.

In little more than a year we shall have the data to test and supplement these preliminary conclusions. The National Center shall strengthen relationships already established with representatives of the major actors responsible for implementation of the Perkins amd JTPA acts to produce a balanced and comprehensive analysis of joint planning and coordination.

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Mr. MARTINEZ. Thank you, Mr. Lewis.
Mr. Kadamus.

STATEMENT OF JAMES A. KADAMUS, ASSISTANT COMMISSIONER FOR OCCUPATIONAL AND CONTINUING EDUCATION, NEW YORK DEPARTMENT OF EDUCATION

Mr. KADAMUS. Chairman Martinez, Mr. Williams, it is an honor to be here to talk to you today on the 8-percent set-aside program, the Job Training Partnership Act and how it operates in New York State. We have provided you with lengthy written testimony for the record and I will summarize that testimony for you.

Training for employment must be based on a clear understanding of the economy and the work force in which trainees will be asked to compete. In our testimony we have provided you with some background on the changing economy and work force in our State and this country and describe how we have implemented the 8-percent State Education Coordination Grants Program based on our experience.

The focus of the 8-percent program in New York State is to marshall the resources of educational agencies and institutions to help train and retrain the workforce as part of the State's overall economic development program. New York State has the most comprehensive vocational education system in the Nation. There are over 1,200 educational agencies serving more than 760,000 students in vocational education.

The educational system uses JTPA funds to serve disadvantaged, unemployed youth and adults, disabled persons, and others with barriers to employment. In addition, JTPA resources are targeted on specific programs to support economic development and as such, the statute in New York State is simultaneously a tool for economic development by providing the economy with skilled workers and a mechanism for economic opportunity of providing disadvantaged and unskilled persons with the opportunity to become more economically self-sufficient.

Last June when I testified before your committee on the individual training accounts legislation, I provided you with a context for job training in New York State and this country and I repeated much of that here because I believe that New York's objectives for JTPA for the 8-percent program are grounded in a careful analysis of the State's economic needs.

The transformation from manufacturing to a service economy in which New York leads the Nation in business services, health care, and financial services and is a leader in high technology manufacturing, the growth of small business in our State, the impact of foreign competition on jobs and the retraining needs of the workforce, the changing demographics, people who are moving into our State who lack basic skills, who are not literate in the English language, the aging of our population and the aging of our workforce, women as a major source of job entrants.

All these factors were considered when we developed our 8-percent program and let me just focus in the next couple of minutes on three of those priorities which I think are of interest to the committee.

Our first priority was on basic skills. We believe that successful participation in most job training programs depends on trainees having adequate confidence in such basic skills as reading, writing, oral communication, mathematics, computer literacy, and job readiness skills. Often applicants who do not possess these skills are not accepted into training programs.

We use the 8-percent program in New York State to fund basic skills instruction, to bring youth and adults to a level of competence which enables them to receive a credential and more into occupational training. This increases the access of target populations to JTPA services. In New York State, over 50 percent of the people in the Basic Skills Programs are welfare recipients. We had a 70-percent completion rate in the program.

Our second priority is school-to-work programs for handicapped youth and youth with other barriers to employment. Over the past decade, substantial progress has been made in extending and improving educational programs and services for handicapped youth and youth with other barriers to employment. But we believe the greatest impact has been at the preschool and elementary school levels.

In order to build on those achievements and provide a transition for school to employment, the JTPA 8-percent program in New York State has a priority on handicapped and at-risk youth in secondary schools, trade schools, and colleges and helping them make the transition from educational programs to the world of work.

Our 8-percent program directly supports services to youth that result in them obtaining competitive unsubsidized employment.

Our third program that I want to highlight, our third priority, is our Employer-Specific Training Program. It is a customized training program that helps firms remain, expand or come into New York State. The JTPA 8-percent program is one of the earlier sources of funds used to support the Employer-Specific, or sometimes called Quick Start Customized Training Programs in New York State which now draws other State and Federal resources totalling $9 million.

In addition to the JTPA 8-percent funds, we use Vocational Education Act funds, JTPA title III funds for dislocated workers, and State funds under the Employment-Specific Skills Training Program. In 1985, we had over 500 employer-specific training projects, we served 30,000 participants.

In fiscal year 1985, over 2,000 of those participants were given employer-specific training through the 8-percent program. The cost per trainee was $912. They all got jobs because we find the jobs first.

The unique aspect of this program is you identify the jobs and then you train the people for those jobs that are available.

Let me turn now to some observations and concerns, if you want to look at these, they are on page 18 of the testimony. I want to highlight four observations that we believe comes out of the 1, 1½ years that we have had experience with JTPA 8-percent program.

One is that a successful JTPA effort depends on the full and active participation of State and local education agencies in employment and training efforts. It is essential that 8-percent funds be administered in a way that uses and builds upon the existing educational resources within a State. We believe our program does that. It is therefore critical that State education agencies, as defined by JTPA, be designed to administer the 8-percent program within each State.

Second, JTPA-funded employment and training programs use a wide range of service providers to meet the needs of the variety of clients. The diversity of service providers creates a critical need to ensure that program standards are clearly set and carefully monitored so that the quality of training programs are guaranteed. Accordingly, sections 141(o) (1) and (2) should be strengthened so that they clearly designate the State education agency as being responsible for defining two sets of standards: Standards for State and—State and local standards for educational quality of programs for youth and standards and procedures for awarding academic credit and certifying educational attainment in programs.

The third recommendation is that a most important aspect of linking JTPA resources with other State and Federal resources, which support preparation for employment, is combining JTPA funds with other key Federal fund sources, such as the Vocation Education Act, the Rehabilitation Services Act and the Adult Education Act. One of the difficulties in linking these fund sources with JTPA funds is that the bulk of those JTPA funds, 78 percent, are operated by sub-state level entities, the service delivery areas.

A chief advantage of the 8-percent funds is that they are administered at the State level and thus, can be used to create leverage and draw out other resources of State level fund sources.

And finally our fourth observation is that the 8-percent funds can be used to support experimental and innovative training programs without the rigid Federal reporting requirements which often restrict similar activities at the SDA level. That programmatic flexibility has been one of our greatest strengths in New York State and the two examples we believe are the Employer-Specific Training Program, a unique program that combines educational opportunity and economic development, and our basic skills programs as well as our programs for school to youth transition because it identifies participants that we think are precisely those which the average SDA-given performance standards will be least likely to serve.

I want to thank you very much for the opportunity to testify today. I would certainly be willing to answer any questions.

[Prepared statement of James A. Kadamus follows:]

PREPARED STATEMENT OF JAMES A. KADAMUS, ASSISTANT COMMISSIONER FOR OCCUPATIONAL AND CONTINUING EDUCATION, NEW YORK STATE EDUCATION DEPARTMENT

STATE EDUCATION COORDINATION AND GRANTS PROGRAM 8% SETASIDE UNDER THE JOB TRAINING PARTNERSHIP ACT

Chairman Martinez and members of the Subcommittee on Employment Opportunities it is an honor to present testimony on the eight percent set-aside program of the Job Training Partnership Act and how it operates in New York State. Training for employment must be based on a clear understanding of the economy and the workforce in which trainees will be asked to compete. In my testimony I will provide some background on the changing economy and workforce in New York State and describe how we have implemented the 8% State Education Coordination and Grants (SECG) Program based on that changing context. I will conclude my testimony by making some general observations on the SECG program based on our experience.

I. The Role of Education in the Job Training Partnership

The focus of New York State's 8 percent Plan is to marshall the resources of educational agencies and institutions to help train and retrain the work force as part of the State's overall economic development program. New York State has the most comprehensive vocational education system in the nation. There are over 1,200 educational agencies (secondary, postsecondary, adult, proprietary) serving more than 760,000 students in vocational education. The education system uses JTPA funds to serve disadvantaged, unemployed youth and adults, disabled

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persons, and others with barriers to employment. In addition, JTPA resources are targeted on specific programs in support of economic development.

The economic welfare of New York State is largely dependent on the quality of its labor force. A productive labor force, trained in skills appropriate for a knowledge-intensive economy, is as essential an ingredient in future economic growth and development as physical plants, equipment and technology. Investments in capital resources must be made in partnership with investments in human resources. Only by developing the pool of skilled workers can capital investments provide a fully productive return.

Promotion of economic development through education and training programs not only supports economic growth, but also provides opportunities for individuals to achieve a measure of self-sufficiency through the mastery of skills that lead to gainful employment. Income and wages, in turn, help to assure adequate housing, nutrition, health care, a stable family life and access to leisure.

JTPA programs provide education, training and employment services to persons experiencing serious barriers to employment. As such, the statute is simultaneously a tool for economic development -- by providing the economy with skilled workers -- and a mechanism for economic opportunity, providing disadvantaged and unskilled persons with the opportunity to become more

economically self-sufficient. The objectives for JTPA in New York State promote these reciprocal goals of statewide economic development and the improvement of the economic condition of disadvantaged persons.

II. Changing Context for Job Training in New York State

New York's objectives for JTPA are grounded in careful analysis of the State's economic needs. The following sections discuss the changing context for job training in New York.

A. Transformation from a Manufacturing to a Service Economy

At the root of the growing imbalances and dislocations in our society and economy are several major transformations in our State's economy. During the 1970's, New York lost population and Congressional seats to the rest of the nation. New York only generated a net gain of 50,000 jobs during the 1970's, while the remainder of the nation added approximately 19 million new jobs. Since 1970, the State's economic base has changed dramatically. The manufacturing sector has been shrinking and the service sector has been mushrooming. From 1969 to 1981, New York State's manufacturing employment decreased by 439,000 jobs, with most of the decline occurring between 1969 and 1975.

A recent article in the New York Times by Thomas Lueck indicated that New York State is leading the nation in the shift to a service economy. Based on a Federal Bureau of Labor

Statistics report, the article indicated that business services, health care, financial services and insurance are the State's fastest growing employers. The service sector has contributed 540,000 new jobs to the State's economy over the last five years, while there was a loss of 163,000 manufacturing jobs. Service industries now account for almost 8 jobs out of every 10 in New York State.

Within the manufacturing sector, a transformation is also taking place. The heavy manufacturing "smokestack industries" of primary metals (steel production, metal forgings, etc.), auto production and others are being replaced by "high tech" manufacturing industries. More than half of New York State's 1.5 million manufacturing workers - 51.8 percent - are in jobs directly involving high technology goods. Even when manufacturers are not involved in high technology production in such areas as biomedical engineering and microelectronics, they are increasingly incorporating automated production processes to remain competitive. So technology is dominating and transforming the manufacturing sector of our economy.

B. Growth of Small Businesses

Small businesses in New York are an increasingly important factor in its changing industrial composition. Of the roughly 410,000 businesses in the State, 98 percent are defined as small, with 100 or fewer employees. Approximately 320,000 of the State's businesses employ ten or fewer persons. Over one half of

our State's private sector workers are employed by small businesses. Today across the nation, new small companies are being created at the rate of 600,000 a year. In 1950, at the height of the industrial period, the rate was only 93,000 a year. In New York State, about 25,000 businesses open each year, adding millions of dollars to the economy. The last time so many new companies were being created was during the nation's transformation from an agricultural to an industrial society. Small and young firms are vital in generating new and replacement jobs.

C. Impact of Foreign Competition

Another change in the economy which is having an impact on public policy in the area of worker retraining is foreign competition. In his book entitled "The Next American Frontier," Robert Reich discusses how foreign trade has grown in its influence on the American economy in the last 20 years. "Prior to 1965, foreign trade did not figure significantly in the U. S. economy. Only a small portion of American-made goods were traded internationally, an equally small amount of foreign production entered the United State. ...By 1980 more than 70 percent of all the goods produced in the United States were actively competing with foreign made goods. American producers have not fared well in this new contest."

Reich indicates that one out of three American workers depends either directly or indirectly for his or her livelihood on American industries that are losing rapidly in international

competition. Reich believes that the United States is fairing badly in world markets because it is still competing in industries in which other countries have the advantage of more readily available raw materials and cheaper labor. He contends that to regain its leadership position in the global economy, the American economy must make the transformation from one based on standardization and high volume to one based on flexible system production. Flexible system production emphasizes products which require precision engineering, testing and maintenance, products which are custom-tailored to buyers' specific needs, or products which are technology driven. As Reich indicates, all three product categories depend on the skills of their employees, which Reich feels should be the focus of our economic transformation.

D. Changing Demographics

According to a study prepared by the Business Council of New York State, "The Impact of Migration on New York State," the number of undereducated and disadvantaged adults requiring training has grown because of the migration patterns from 1970 to 1980 in which 1.7 million people moved out of the State and 1.06 million moved in. Much of the out-migration consisted of young educated individuals. By 1980, New York State had 200,000 fewer college graduates or adults who had attended some college, 100,000 fewer managers and professionals, 180,000 fewer young adults between the ages of 20 and 34, and 300,000 fewer members of the labor force than it did in 1975. Everywhere upstate, and on Long Island, population loss was largely confined to those

with at least a high school diploma. Nearly one-third of the State's net loss in the total labor force was in managerial and professional occupatins. Much of the in-migration, however, consisted of undereducated, foreign-born immigrants. Nearly 460,000 people entered the State from Puerto Rico and foreign countries. More than 96,000 of these were without a high school education; more than 100,000 were members of single-parent households. More than one-third of the new residents took low-paying jobs such as operators and laborers. Providing employment skills to new residents is another role New York's training system must serve.

E. Women as Major Source of New Job Entrants

Retraining programs must also help to provide equitable access for women to occupations which meet the needs of the economy. This is particularly important since the major source of new workers for New York's economy during the next two decades will be women. Women will constitute two of every three new job entrants. Many are single parents who must work to support their families. Most find that their job opportunities are confined to clerical or secretarial work, retail and service trades, and other work in which pay may be low and opportunities limited. For example, women are becoming self-employed at a rate five times that of men, yet the average female entrepreneur in 1980 earned $3,456 annually compared to $11,000 for self-employed men. At the same time, blue-collar women who are being laid-off from manufacturing industries are being forced back into the

low-paying world of "women's work," just after making a difficult rise in heavy industry. The steel industry, for example, employed 14,500 women in production jobs five years ago, but that number is now less than 3,000. Generally, dislocated female workers have suffered a steeper fall than their male counterparts. It takes them far longer to find new employment, and instead of finding semi-skilled industrial jobs, they are usually forced into low-wage clerical and service jobs.

F. Implications of Changes for Worker Retraining

Any analysis of changes both in the economy and the composition of the labor force indicates that there needs to be a significant investment in worker training and retraining, both nationally and in New York State. Our strategy must be broader than job training for the structurally unemployed and include recommendations for retraining the existing workforce for a service economy based on technology. The retraining effort must also be broader than training for specific types of jobs. Education has an important role in retraining the workforce. We in New York State have used the JTPA 8% program as one program which can help in that retraining effort.

III. Operation of the State Education Coordination and Grant Program (SECG) in New York State

Pursuant to the requirements of Section 123 the Job Training Partnership Act of 1983, the New York State Education Department

developed a Biennial State Plan, approved by the Governor, outlining its proposed use of its SECG grant over a two year period. Biennial Cooperative Agreements, were subsequently negotiated with each of the State's thirty-four Service Delivery Areas based upon priorities and outcomes included in the approved Biennial State Plan.

A. New York State's Plan for use of SECG Funds

The existing State Plan establishes the following uses for SECG funds within New York State:

1. A 20% component to support coordination and technical assistance activities for Service Delivery Areas as well as to support the discretionary funding of a limited number of experimental and demonstration projects considered to be of statewide significance. Chief among these experimental and demonstration projects are efforts to promote community renewal. This portion of the grant provides partial support of the State's ten Regional Education Centers for Economic Development for JTPA related employer-specific training activities.

2. An 80% component, of which 90% is used to provide direct formula grants to the State's 34 Service Delivery Areas for direct services to clients. The remaining 10% is retained to support employer

specific training projects which are funded through the ten Regional Education Centers. The 90% formula allocation funds are distributed to individual Service Delivery Areas through annually negotiated contracts under existing Biennial Cooperative Agreements to support programs in two major target categories:

a. Two-thirds of the funds to support SDA funded projects are intended to provide basic skills instruction to disadvantaged youth and adults. The basic skills priority encompases programs of the following types: basic literacy; pre-high school equivalency; high school equivalency; English as a second language; remedial reading, writing, and mathematics; bilingual instruction; job seeking and keeping skills; and keyboard skills directly related to computer literacy.

b. One-third of the funds to support SDA funded projects are intended to provide School-to-Work Transition skills and services to handicapped and non-handicapped youth. These services may include entry-level employment experiences; tryout employment; work experience; on-the-job training; cooperative education programs; programs to develop work habits; and school to work transition assistance including job clubs, job search assistance and job counseling.

These uses of 8% funds were based on an analysis of the State's economy, as well as a perception of gaps in the delivery of education and training services within New York State.

B. Basic Skills Programs

Successful participation in most job training programs depends on trainees having adequate competence in such basic skills as reading, writing, oral communication, mathematics, computer literacy, and job readiness skills. Often applicants who do not possess these skills are not accepted as trainees because of the likelihood that they will not complete the training program within the required time. This effectively blocks from participation many undereducated and disadvantaged persons who are priority populations to be served. As Service Delivery Area administrators and Private Industry Councils work toward meeting performance standards and attempt to deal with the increasing skill levels required by the impact of technology, the difficulty of serving the most disadvantaged populations will become more acute. In New York State we use the 8 percent State Education Coordination and Grants program funds for basic skills instruction to bring youth and adults to a level of competence which enables them to receive a credential and move into occupational training. This increases the access of target populations to JTPA services without negatively affecting the performance standards that SDA's must strive to meet.

C. School to Work Programs for Handicapped Youth and Youth With Other Barriers to Employment

Over the past decade, substantial progress has been made in extending and improving educational programs and services for handicapped youth and youth with other barriers to employment. The greatest impact of these programs has occurred at the pre-school and elementary school levels. In order to build upon these achievements, it is necessary to focus on the needs of these students related to the difficult transition from school to work. Transition from school to employment is difficult for all youth, as witnessed by high youth unemployment rates. This transition is even more difficult for handicapped youth who must overcome additional barriers to employment related to their handicaps.

JTPA 8% Programs focus on handicapped and at-risk youth in secondary schools, business and trade schools, and colleges as they make the transition from educational programs to the world of work. JTPA 8% resources support direct services to youth that result in competitive unsubsidized employment. The focus on in-school youth is in recognition of the need to coordinate educational support and assistance as part of the transition to

employment. It is also in recognition of the fact that eligible out-of-school youth and adults have employment and training opportunities under local JTPA programs and through assistance provided under the Rehabilitation Services Act.

D. Employer-Specific Training Program

The Education Department established an employer-specific training program to meet the workforce needs of business and industry and the needs of dislocated workers for employment. Through a statewide network of ten Regional Education Centers for Economic Development, the Education Department works with the firms and with economic developers to design customized training programs to help firms remain, expand or come into the State.

The Regional Education Centers for Economic Development help to identify training needs of business and industry related to retention, attraction, expansion or technological upgrading and arrange for business specific training programs to address these needs. Each Center is governed by a coordinating committee with representatives of secondary and postsecondary institutions, business and industry, economic developers, labor, vocational rehabilitation and other areas.

The employer-specific training programs operated through the Centers work well. An intensive research study on the impact of the program was conducted this past year. Seventy-eight firms

which had received training through this program from 1980 to 1983 were asked to identify impacts of the program on their operations. This study showed that:

- A total of 1,800 new jobs, 1,700 of which were in manufacturing were created.

- The dollar value of increases in productivity, quality or quantity of goods or services was projected by the participating companies to exceed $33 million over a one year period.

- The companies invested over $66 million in equipment, construction, new technologies and services.

- Based on Department of Commerce projections, the 1,700 new manufacturing jobs were estimated to create 2,295 other new jobs in related industries; generate annually $91.8 million in personal income; $34 million in additional retail sales; and $8.1 million in State and local tax revenues.

JTPA 8% program was one of the earlier sources of funds used to support the employer-specific training program which now draws in State and other Federal funds totaling over $9 million. In addition to JTPA 8% funds, money used to fund employer-specific training programs comes from Vocational Education Act funds, Title III funds for dislocated workers under the JTPA, and State

funds under the Employer Specific Skills Training Grant Program. In 1985, over 500 employer-specific training projects were funded, serving over 30,000 participants. Since the program was initiated in the early 1980's, it is estimated that over 5,000 jobs have been created. For federal year 1985, over 2,000 persons were given employer-specific training with 8% funds. These people were either disadvantaged or faced barriers to employment. The cost per trainee was $912. All of those trained have been taken off public assistance and are now gainfully employed. Although the average cost per trainee for JTPA funded firm-specific training programs is higher than other similar programs, it is significantly lower than other JTPA programs funded by Private Industry Councils.

E. Community Renewal

Another innovative approach to using JTPA 8 percent funding being implemented by the Education Department is community renewal projects in which schools are used as a base for addressing the economic and human service needs of economically distressed communities. Efforts are directed at developing the capacity of schools to serve community renewal areas by coordinating basic literacy instruction, occupational training, job-related activities, and day care and after-school services with the school's more traditional activities.

Unemployment and its accompanying conditions are not spread throughout the State in a uniform manner. Need is concentrated

in specific areas and on specific economic and racial or ethnic groups. A disproportionate share of these problems is found in urban ghettos and in isolated rural areas. It is distressed areas such as the South Bronx and Bedford-Stuyvesant in New York City that show the greatest concentration of need in terms of hundreds of thousands of individuals and troubled families, with community support structures that are basically ineffective.

Society has not been unmindful of the problems of these communities. To address some of them, a broad array of human services is supported by Federal, State and local resources. But these resources are overwhelmingly directed to meet individual needs by way of individual entitlements, ignoring the fact that the community at-large is also at risk and unable to support the individual in the use of available resources. As addressing the unemployment needs of individuals without addressing their social and physical needs is insufficient, so also is targeting individual needs without addressing the wide array of needs of at-risk communities.

At the present time, resources supporting human service programs are dispersed among a wide variety of different agencies and organizations within a community. The sharing of resources, joint planning and referrals among service providers has been minimal. As a result, those who are most-in-need, lack access to information about available programs and by and large, have not been able to benefit from services that exists within their

community. The difficulties many individuals experience in gaining access to needed services in their community pose a critical problem for their readiness for employment.

In response to the need for greater coordination of services for disadvantaged, unemployed youth and adults, community renewal service systems should be established in inner-city and in rural areas. A system would be comprised of one or several comprehensive service sites devoted to more effectively linking individual needs with existing community resources. Many of the components are available, but need to be coordinated into a comprehensive service system.

Each service site would have a twofold purpose:

- to provide facilities for many community services thereby offering "one-stop shopping" for individuals in need of diverse services, and;

- to serve as a locus for strengthening community activities and mediating informal social structures within the community.

Local schools would serve as a primary site for the community renewal service system.

IV. Observations Based on Experience with the SECG Program During the First Biennial Period

The following observations are offered for determining how the State Education Coordination and Grants portion of JTPA might be strengthened to ensure that the resources of the education system are used to the fullest extent possible to support training for youth and adults:

A. A successful JTPA effort depends upon the full and active participation of State and local education agencies in employment and training efforts. It is essential that 8% funds be administered in a way that uses and builds upon existing educational resources within each State. It is therefore critical that State Education Agencies, as defined by JTPA, be designated to administer the SECG program within each State.

B. JTPA funded employment and training programs use a wide range of service providers to meet the needs of a variety of client. The diversity of service providers creates a critical need to ensure that program standards are clearly set and carefully monitored so that quality training programs are guaranteed for JTPA clients. Accordingly, sections 141(o)(1) and (2) of

JTPA should be strengthened so that they clearly designate the State Education Agency as being responsible for defining two sets of standards:

1. State and local standards for education quality of programs for youth.

2. Standards and procedures for awarding academic credit or certifying educational attainment in programs for youth and adults funded under Title II.

C. A most important aspect of linking JTPA resources with other Federal and State resources, which support preparation for employment, is the combining and coordination of JTPA funds with three other key Federal fund sources. These are: Vocation Education Act (VEA), Rehabilitation Act, Adult Education Act (AEA). In each case, these funds are administered by designated State agencies. One of the difficulties in linking these three fund sources with JTPA is that the bulk of JTPA funds (78%) are operated by sub-state level entities, Service Delivery Areas. A chief advantage of the 8% SECG funds is that they are administered at the state level and thus can be used to lever and draw out resources from other state level

fund sources. It is critical that 8% SECG funds continue to be administered at the state level to maximize their ability to marshall other educational resources.

D. The SECG 8% funds can be used to support experimental and innovative training programs without the rigid federal reporting requirements which often restrict similar activities at the SDA level. The "window" on participant eligibility which allows 25% of those served to be non-economically disadvantaged, the absence of an absolute cap on participant support expenditures and the absence of rigid program reporting requirements has allowed agencies to use SECG funds to support activities and services which can often not be undertaken by local SDAs using their own Title II 78% grant allocations. The New York State Education Department has chosen to target funds to support basic skills and school-to-work youth transition programs designed to enroll the state's most difficult to serve economically disadvantaged youth and adults, including those who are handicapped. These programs provide preparatory instruction and services to the most in need as a preliminary step to enrollment in locally supported 78% programs. These participants are precisely those which the average SDA would be least likely to serve owing to the constraints of federal and state mandated reporting systems which establish

minimum participant "positive termination" levels that must be met by local authorities. The SECG program has no hard and fast required reporting system other than one agreed upon in its Biennial Plan with the Governor's office. The programmatic flexibility granted to 8% funds has been one of its great strengths and should be maintained.

E. One of the most positive features of the Governor's plan for the use of JTPA funds in New York State is the setting of dual goals of economic development and economic opportunity. In the decades ahead, nothing will influence New York's economy, and its competitive position in the nation and the world, as much as the quality of its human resources. Through the dual goals of economic development and economic opportunity for use of JTPA funds, New York will ensure that the development of the State's human resources is part of our overall economic development strategy and that those typically left behind in economic expansion receive the training they need to be included.

F. In attempting to provide a complete program of education and related programs in support of economic development, shortcomings in existing programs must be identified and remedied to ensure participation of all eligible individuals. For example, unlike the Comprehensive Employment and Training Act (CETA), the Job

Training Partnership Act (JTPA) does not include provisions excluding a certain portion of JTPA income when determining eligibility for Federal public assistance programs, (e.g., Supplemental Security Income) or establishing a process for appealing disallowances and offset of income to the Social Security Administration. This has had the effect of discouraging disabled individuals from participating in JTPA activities. Language should be added excluding a certain portion of JTPA income in determining eligibility for Federal public assistance programs. Youth income should be part of this exclusion.

Additionally, JTPA specifies that the membership of local private industry councils should include representatives of educational agencies, organized labor, rehabilitation agencies, community-based organizations, economic development agencies, and the public employment service. Some localities are apparently interpreting this section of the law to allow local government agency heads such as social and youth services commissioners and directors to serve as council members. This dilutes representation of the more immediately relevant parties on the councils and may be contrary to the intent of Congress.

Section 102(a)(20) of the act and any related references should be changed regarding private industry council members as follows:

(Each council shall consist of...)
(2) bona fide representatives of educational agencies (representatives of all educational agencies in the service delivery area), organized labor, rehabilitation agencies, community-based organizations, economic development agencies, and the public employment service. A bona fide representative is one who spends a majority of time working with or for, or representing, one of the groups listed above.

Thank you for the opportunity to present testimony on New York State's State Education Coordination and Grants program.

Mr. MARTINEZ. Thank you. I have to first apologize for Mr. Williams. He had to leave; he had an important meeting in Pennsylvania that he had to catch a plane for. He is a keynote speaker and he asked me to apologize on his behalf.

Because of performance based contracting, contractors choose those that are most job ready. And sometimes when they look at these people, I absolutely know that they have to be looking at their basic skills, and when these skills are not there they tend to be more reluctant to accept them into the training program.

So I believe very, very strongly that there has got to be a linkage between the other parts of JTPA and the 8-percent money and that much of that 8-percent money should be spent on basic skills. I would like each of you to respond with your opinion on that.

Mr. KADAMUS. In New York we spent 60 percent of the 8-percent money on basic skills, 60 percent of the 80 percent, but basically half the money is available under the grant award, goes into basic skills programs. It is combined with State aid funds that we have and that is the matching for it. We also use substantial funds under the Adult Education Act. We have done that and worked with the SDA's precisely for the reasons that you have identified. We believe that we have to target those moneys on a client population that may not get access to the 78-percent programs and other training programs because they lack basic skills.

Mr. MARTINEZ. Of course, you know I would not want us to get the impression that if we used all or a great majority of that fund for basic skills, that we exclude responsibilities from the other programs for basic skills because they do have it there and I would be under the impression that they should be locked in. Would you not?

Mr. KADAMUS. In terms of a Federal requirement as to percentage?

Mr. MARTINEZ. Right.

Mr. KADAMUS. The only concern I have about that is the fact that some States have some very large basic skills programs and when we started the JTPA 8-percent program, we had a very minimal State aid program for basic skills, about $2 million.

As a result of using the 8-percent program, as well as other funds under the Adult Education Act, we are able to demonstrate great success with a larger client population and encourage the State legislature to put in additional funds into the program and now that program is about $10 million. So I think you have got to look at a total package of resources.

Mr. MARTINEZ. Yes. Well, I do not mean locked in in terms of formula, I mean in terms of obligation.

Mr. KADAMUS. I believe that should be true. Yes, I would support that.

Mr. MARTINEZ. How much does New York get under the 8-percent——

Mr. KADAMUS. About $7.5 million.

Mr. MARTINEZ. $7½ million.

Mr. Chandler.

Mr. CHANDLER. Our basic skills, sir, can be built into a contract for individual training and other persons, depending upon the need of that person. The basic skills are part of it. Then the length of

time necessary for training could be extended to accommodate that. It could be built into a performance-based contract or either a reimbursable contract. It can work both ways.

Mr. MARTINEZ. Do you have any idea in your State what percentage of that 8 percent is used for basic skills?

Mr. CHANDLER. I would estimate approximately 20 percent, 25 percent at this time.

Mr. MARTINEZ. In your testimony you expressed concern about the lack of involvement on the part of local education systems and the PIC's, and you suggested legislation. Can you think of any other kind of remedy without going the legislative route?

Mr. CHANDLER. Well, I also recommended, sir, that if the Department of Labor were directed to work more closely with the States to monitor the correct involvement of the State educational agency in JTPA, I think as some of the other people have identified here, that we seem to think that the law in fact does mandate the involvement of a bona fide State educational agency in the process, and if this is monitored correctly by the Department of Labor then obviously there would be no need for a change in the law, simply to carry out the intent of the act as you all wrote it.

Mr. MARTINEZ. The way we intended it. I think somehow there should have been some strong report language along with some clarifications on the interpretations as has been demonstrated here today. But we might have to go back and do that rather than try to get this thing up onto the House floor.

Well, you felt very strongly, too, about the integration or the linkage between the 20 percent and the 80 percent. Would you elaborate a little more on that?

Mr. CHANDLER. Yes; I would be glad to. The 80-percent funds, as you know, sir, are training funds that need to be spent at the local level. Twenty-percent coordination funds allows the State agency the flexibility to spend those funds on curriculums, on designing innovative programs of things that really do not have to be spent on training programs for individuals. The coordination money can allow the State educational agency to spend money on activities that would involve other agencies.

For example, in my own State, we are involved with community-based organizations from my level. We are involved with the community college system, which is a separate agency in our State. We are also involved with the correctional system. We are involved with private organizations that are conducting programs for placing potential seniors in jobs.

We are using those kinds of funds to effect that kind of coordination and also tying the 80-percent training programs together with those funds too. It would seriously impede the results of those 80-percent programs, I feel, if we did not have those coordination funds to go along with it. Fortunately for us, in my State we get all the 80-percent grant administered at our level.

Mr. MARTINEZ. In your State you utilize all the 8-percent funds?

Mr. CHANDLER. Yes, sir. I think we have a small percentage to carry over this year.

Mr. MARTINEZ. And you do, too?

Mr. KADAMUS. Yes, sir.

Mr. MARTINEZ. There are some States that do not utilize it. Are any of you aware of what the mandate for that fund is when they are not utilized?

Mr. CHANDLER. Yes. Are you referring to section 121?

Mr. MARTINEZ. Yes.

Mr. CHANDLER. If those funds are not used by the State educational agency or there is no agreement to use them, then those funds can, in fact, revert back to the Governor under section 121 to be used for a multitude of other things.

Mr. MARTINEZ. In any discretionary purpose?

Mr. CHANDLER. Yes. I do not have any specifics on any State that has done that as yet. It may be.

Mr. MARTINEZ. Yes. I asked the Department of Labor and they do not have assistance on that either. Their estimate was about 70 percent of the 8-percent moneys were being used.

I appreciate the testimony you have given. It helps us tremendously. There are a lot of recommendations that have been made over the past year on this program and a lot of these things are being considered right now between ourselves and the chairman of the full committee, Gus Hawkins. We do intend to take some action to remedy this, probably early in the next year or at least next year sometime. So thank you again for your testimony.

Mr. MARTINEZ. Our next panel consists of Mr. Gerald Kilbert, administrator of California Department of Education, Vocational Educational Training Section, and Ms. Myra Ford, Lansing Board of Education, Michigan.

Mr. Kilbert, let's start with you.

STATEMENT OF GERALD KILBERT, ADMINISTRATOR OF CALIFORNIA DEPARTMENT OF EDUCATION, VOCATIONAL EDUCATION TRAINING SECTION

Mr. KILBERT. Thank you, Chairman Martinez. I am here testifying before this committee as the president of the National Employment and Training Association which has some 1,200 members nationwide. We are an affiliate of the American Vocational Association, and like several of our other members I am an administrator within the State of the 8-percent funds.

What I would like to talk about today is that we now have had about 3 years of program experience, give or take some months, in administering those 8-percent funds and collectively the members of NETA have some concerns which they would like to share with you regarding the 8-percent program. But as you heard earlier from Charles McDaniel and from Delina Hickey, each State has their own special differences and their special concerns and problems and therefore my comments will not apply to every State, but they will apply to some States that do have the problem that exists and you have heard.

And my first issue, of course, is that Congress' intent was to have local education agencies have the first opportunity to provide training and there are numerous—or to be involved in the training and JTPA programs. Numerous citations which were given to you in written testimony as well, but despite that intent, apparently throughout the Nation there are difficulties in having public educa-

tion agencies have the opportunity to offer the training and what we are proposing is that either there be some amendment language or the regulations be strengthened or the monitoring devices used by the Department of Labor be strengthened.

However it is done, the phrase might be changed to something such as "to first right of refusal" instead of the phrase you identified earlier of, you know, "shall be provided the opportunity" unless, and then there are some other reasons why. Provided the opportunity in many States in their service delivery areas means we will issue an RFP and the education agencies respond to that RFP. If they receive funding or where they did not receive funding, they were provided the opportunity and that is all there is to it, without any justification whatsoever for identifying that someone else could do it more cost effectively or meet the needs of a particular population better or at any other time. The unless phrase is totally ignored in some States.

Second, the performance standards which some people addressed earlier this day seemed to actually be a barrier to serving populations that have multiple barriers to employment. That is, we are dealing with a population oftentimes that not only has an economic barrier, but oftentimes is handicapped, oftentimes are dropouts, oftentimes have a variety of other barriers, being single parents, being teenage parents and all those other reasons. And what happens is, is that they lack basic literacy skills, English skills, preemployment skills, as well as job skills. And so as the SDA's go about assessing whether or not this person should have some type of training, and thinking about the performance standards, and thinking about the 6-percent incentive funds that they might get if they exceed those performance standards, they are likely not to serve those people having multiple barriers.

Therefore, what we are urging is that somehow the SDA's, through the Department of Labor, have some relaxation of those performance standards, especially when dealing with youth who have multiple barriers.

In many of our States the 40-percent youth is funds that the directive to spend at least that much on youth is not being met and some of those reasons are because the whole psyche of having short-term training at a low cost takes place in serving—whether you are serving youth or adults or anybody in JTPA. We could easily serve 40-percent youth provided we are willing to state the time it takes and spend the dollars it takes in those training programs and the duty outreach necessary to find those youth.

Third, some States are having difficulty with the definition of what is a local education agency. In fact, there are some legal opinions given by some States that say that local education agency is any service provider offering education or training services, and what that does is that allows SDA's in some States to take 8-percent funds in those States where it is allocated to SDA's by formula and totally bypass a public education system and use those funds only in private schools or community-based organizations.

And so what we are proposing is that somehow at a minimum there be a requirement that says that a better definition of local education agencies and that at least the public education agencies ought to be involved in any type of program funded with 8-percent

funds, whether it be a private school or a CBO, but it could be in cooperation with both of those types of other agencies.

Fourth, another problem which we have identified is a reporting requirement. As best we can determine, there is no particular reporting requirement on the number of participants and placement of participants, that sort of thing, for the 8-percent program from the Department of Labor, and the reason for that was that the 8-percent funds were to be used as perhaps supplemental to the 78 percent. They are to be used to encourage coordination, they were to be used to develop linkages.

But what happened is many States have instituted a reporting requirement and therefore the reporting requirement oftentimes is totally inaccurate and certainly blown out of perspective because the reported numbers are often duplicative of what is in the 78-percent program. And in fact, in one of the States they had identified that if you use 8-percent funds as a supplement to the 78-percent program to achieve some coordination and linkages, but what happens is that you do have a placement out of the program. You count the placement in the 78-percent reporting and not in the 8-percent reporting, 8 percent would show a very low number of placements, 78 percent might show a high number of placements.

You might have a duplicative count and then somebody might say, aha, 8 percent is not doing their job and yet in fact it was probably the funding that either gave the remediation or provided the other skills or brought the linkages and coordination necessary to even get that placement in the first place.

Finally, one other area that we think there is some concern is in the review of the State vocation educational plans by the State job training coordinating councils. In some of the States that review is perfunctory at best and sometimes a paperwork exercise. NETA is recommending that there be some criteria set forth in perhaps the regulations that would give some definite criteria as what ought to happen in those State vocational educational plans and how those plans ought tc link very clearly with the JTPA plans in the State and how JTPA funds might be used in conjunction with vocational education funds.

The Carl D. Perkins Vocational Educational Act cites numerous references to linking the JTPA, and JTPA cites references of linking with vocational education and yet sometimes that is done very, very well, as you heard today, and in some States it is not done very well. Maybe what we need to do is perhaps—and we are recommending as a national organization—that there be some national effort, perhaps spearheaded by the AVA and perhaps by a special task force, a congressional task force perhaps, so that we truly link both the vocational education funds with the JTPA funds to serve the population that we are most interested in as educators.

Those five concerns are NETA's major concerns at this time. We would like to see some kind of support and some kind of effort that maybe we could work together with you or any other groups to try and achieve answers to those issues. We certainly appreciate your committee coming to AVA and giving us the opportunity to present our testimony before you.

Thank you, Mr. Kilbert.

[Prepared statement of Gerald Kilbert follows:]

PREPARED STATEMENT OF DR. GERALD H. KILBERT, PRESIDENT, NATIONAL EMPLOYMENT AND TRAINING ASSOCIATION, CALIFORNIA STATE DEPARTMENT OF EDUCATION

I have previously testified before you as a member of the California State Job Training Coordinating Council. In that testimony I discussed youth programs in California. Today, I am testifying on the JTPA Eight Percent program before you as the President of the 1,200 member National Employment and Training Association (NETA).

NETA is an affiliate organization of the American Vocational Association (AVA). Like several other NETA members, I have the administrative responsibility for the JTPA State Education Coordination and Grants funds, commonly known as the Eight Percent funds.

Our NETA members have had three program years of experience in administrating the Eight Percent funds. Based upon our collective experiences, I have several recommendations to present to your committee for improving JTPA program effectiveness using the Eight Percent funds.

First, it was Congress' intent that local education agencies be given the first opportunity to serve JTPA participants and have a significant role

in JTPA programs. There are many references in JTPA to support the strong role expected of the public education community by Congress.

- Education representatives are required on the Private Industry Councils (PIC)(sec.#102).
- Funding duplicative services is prohibited (sec.#107) and (sec.#141(h)).
- Education agencies must be provided the opportunity to provide educational services (sec.#107).
- The Governor's Coordination and Special Services Plan shall establish criteria for coordinating JTPA activities with programs and services provided by state and local education agencies (sec.#121).
- All education programs for youth are to be consistent with applicable state and local education standards (sec.#141(0)(1)).
- 40 percent of the funds must be expended on youth (sec.#203).
- Eight Percent funds are required to be matched dollar for dollar. (sec.#123).

However, despite obvious Congressional intent, public education agencies are not receiving the first opportunity to serve JTPA participants. In accord with provisions of JTPA, NETA recommends that public education agencies have the first right of refusal to provide JTPA services. This can be accomplished by amending the act or expanding the regulations by inserting clearer language such as "first right of refusal" rather than merely "provided the opportunity".

Secondly, the JTPA performance standards and the basis of incentive grants encourages short-term training programs leading to job placements. This emphasis is not good for people having multiple barriers to employment such as a lack of basic/literary skills, English skills, preemployment skills and job specific skills. In fact, all the research conducted on successful programs for populations having multiple barriers to employment indicate that long-term training is more effective in preparing youth or adults for placement into not only the secondary labor market, but also in the primary labor market. The performance standards actually work against providing services to youth. SDAs are not meeting the 40% youth requirement because it requires more costs and longer term training. The costs and longer training time prevent SDAs from meeting performance standards and receiving incentive grants. The JTPA or the regulations need to be modified to provide incentives to PICs to offer long-term education and training needed by JTPA participants who have multiple barriers to employment.

Thirdly, in some states the definition of a Local Education Agency (LEA) is a problem. The definition section on JTPA refers to local education agency as defined in the Vocational Education Act. In some states, legal opinions have concluded that this iencludes not only public schools but private schools and community based organizations (CBOs). This policy enables private schools and CBOs to become recipients of the Eight Percent funds and diffuses the public schools first right of refusal to offer training and services.

Fourthly, the JTPA and the United States Department of Labor do not require reporting on Eight Percent funds. Instituting a requirement for Eight Percent reporting on such items as placements and cost per placement is unnecessary. Yet, some states are requiring such reporting. The very nature of the Eight Percent funds, education coordination and linkages, does not support requiring reporting on participants. Furthermore, such reporting encourages short term programs of low cost thereby avoiding providing training to the hard to serve. NETA recommends that State Councils be made aware, through regulations, that Eight Percent reporting on placements is not required.

Fifthly, the SJTCC is to certify the consistency of the Service Delivery Area (SDA) Job Training Plans with the criteria under the Governor's Coordination and Special Services Plan (GCSSP). The SJTCC is also to comment on the State Plan for Vocational Education. Experience has shown that these reviews are cursory at best. The criteria of the Governor's Coordination and Special Services Plan are general in nature. Therefore, it is difficult to compare the GCSSP with the more specific SDA job training plans. State Councils frequently delegate this review check to the State Employment Agencies and acts upon their recommendations. NETA recommends that the JTPA regulations require the local SDA job training plan specifically address the criteria in the Governor's Coordination and Special Services Plan.

In some states, the review of the Vocational Education State Plan is conducted by SJTCC committees which have no understanding of the Vocational Education Act or how it relates to JTPA. It is doubtful that this review provides any meaningful information and is more than a paperwork exercise for all parties.

NETA recommends that the JTPA regulations specify criteria for review of the Vocational Education State Plan. Having such criteria will increase SJTCC members understanding of VEA, guide their review and enable Council input into the planning process for VEA funds.

Lastly, the Carl D. Perkins Vocational Education Act requires that VEA be coordinated with JTPA programs at the local level. One of the difficulties in establishing this coordination is the participant group defined in each act. JTPA dollars are targeted for economically disadvantaged youth and adults. VEA funds are targeted for all populations. The two fu[illegible]ng sources are distributed independently and frequently through different delivery systems making it extremely difficult to coordinate services for the JTPA population. NETA recommends that a national committee be asked to recommend ways these major funding sources can better link to serve the economically disadvantaged.

NETA appreciates the committee for holding a hearing here at AVA. We thank you for giving us the opportunity to testify before you.

Mr. MARTINEZ. Ms. Ford.

STATEMENT OF MYRA FORD, LANSING BOARD OF EDUCATION, MICHIGAN

Ms. FORD. Thank you. I am here today specifically to talk to you about the experience which the Lansing School District in Michigan has had with JTPA 8-percent funds and more generally to talk to you about the recommendations and conclusions of the National School Boards Association.

The involvement on the part of the NSBA of the education community is crucial to the success of the JTPA program for JTPA clients cannot become economically independent without the basic education necessary to help them develop specific job skills. Education and the JTPA form a mutually beneficial partnership. To the JTPA, educational institutions bring an existing network of facilities, well-trained professionals and other resources capable of providing a wide range of training and support services. Reciprocally for educators, the JTPA provides an additional source of revenue which would allow schools to expand or initiate programs for disadvantaged youth at a time when traditional funding sources are shrinking.

Moreover, by providing services to JTPA eligible clients, educators can increase public support in their communities, especially among local employers. Furthermore, participation in the JTPA also expands communication and contact with local government, labor unions, CBO's and other community agencies. Clearly, many advantages can be gained from participating in the JTPA and competition exists for participation in the JTPA program.

The law governing membership on the Private Industry Council, the policy on the JTPA program, sets up a free market system for service providers of JTPA services. In this free market, service providers in both the public and private sector as well as within the education community itself vie for PIC membership. NSBA strongly urges school board members to enter this competition. They recommend that local school board members either directly represent the education community on private industry councils or closely coordinate with an administrator who is willing to serve. Their survey findings indicated that school board members are currently very underrepresented on PIC's.

Only approximately one-tenth of respondents of a survey which was conducted in April 1985 of school board members indicated that they had or were able to supply the names and titles of their PIC's education representative and only 10 percent of those were actually school board members. Furthermore, results showed that direct PIC representation better insures open communication between school districts and PIC's, and more importantly, it better insures receipt of JTPA funds.

Strong correlations appeared between representation on PIC's and receipt of JTPA funding as well as between PIC representation and higher levels of communication. In light of these findings, the NSBA strongly urges school board members again to compete vigorously for representation on their local PIC's.

The Lansing School District more specifically has long enjoyed an active and positive relationship with its service delivery area, the Lansing tricounty employment and training partnership. Currently and during the past 2 years, the school district has received a total of more than $2,400,000 to provide both 2(a) and 2(b) programming. This is a combination of the 78 percent and 8 percent and also the summer youth employment program.

The district's director of vocational education is an educational member local perspective of the Private Industry Council. Two other educational members are also included on our PIC, one from the three intermediate school districts in Michigan and one from the community college in Lansing. These educational representatives are also members of the designated educational planning entity for the 8-percent funds. Because of this strong relationship, the Lansing School District feels very much involved in the local JTPA process and decisionmaking.

There are, however, some recommendations which correlate basically between both Lansing's experience with the program and also the national experience. They take the place—take place in four specific areas.

One is that all locally operated JTPA-funded programs should be channeled through the appropriate local service delivery area organization. We have found in Michigan that those 8-percent funds which go through the Department of Education in Michigan very often are handed out as political favors to people who have done obviously favors at the State level for someone, and that leaves us in the position sometimes of having duplicate programs because the local SDA's are not a part of making the decision.

Also, you have situations where the local SDA may be the best person or the best organization to determine whether a program is, in fact, going to be cost-effective and is going to be effective in general terms, because they are more aware of what—who the people are at the local level who are providing these types of programs.

The second recommendation is that more emphasis should be placed on support services such as child care and transportation. Specifically, this recommendation is that perhaps a stronger categorical set-aside for these services would encourage more program operators to target the hard-to-reach nontraditional populations. The figures in terms of money spent on daycare and money spent on teen populations or teen-parent populations as well as dropouts tend to be much lower, because of the lack of these services being provided.

Third, longer training programs should be considered. Apparently, because of the interpretation of the Federal legislation, very often the length of time that a program may be provided is shortened considerably in terms of the moneys that are available. Certain types of technical programs require a much longer period of time as well as the improvement of basic skills on the part of the recipients.

Fourth, is that local school districts need to be made more aware of funding opportunities available through JTPA and of the possibilities of serving on the Private Industry Council. I have already alluded to that in the statement from the National School Boards Association.

The facts—some of the statistics include the fact that 48 percent, or nearly half, of all the school boards which were contacted and which responded to the survey indicated that they did not, in fact, have an educational representative on their local PIC.

The correlation between the provision of services by local school districts and the membership on the local PIC's is very high indeed, and those school districts who did not have a great deal of expenditure of funds or receipt of funds from JTPA funds were those same school districts who, in fact, did not have representation from their educational community on the PIC's.

Thank you.

[Prepared statement of Myra Ford follows:]

PREPARED STATEMENT OF MYRA FORD, LANSING BOARD OF EDUCATION, MICHIGAN

INTRODUCTION: Implementation Plan of Michigan State Bd. of Education, State Education Coordination and Grant Program

The Job Training Partnership Act (P.L. 97-300) establishes a system of state and local job training and employment preparation programs based on a cooperative partnership between state and local governments and the private sector. The Act changes the emphasis of employment and training programs from income maintenance and public sector job creation to preparation for employment, training, and re-training in the private sector. Additionally, the Act recognizes the importance of program and participant performance rather than process, and outlines a system of measurement based on performance standards for youth and adult programs. The Governor's Coordination and Special Services Plan states:

> It is the purpose of the Job Training Partnership Act (JTPA) to prepare individuals for productive, unsubsidized employment through the provision of adequate skill training within the framework of a cooperative, public/private sector partnership at the local service delivery area level. It is intended that the focus and ultimate objective of human resource development activities and services is to ensure that the individual participant obtains and retains productive, unsubsidized, gainful employment.

The Governor, acting with the advice of the Michigan Job Training Coordinating Council, has an oversight role in the planning and operation of all JTPA programs in Michigan. In addition, the Governor has established an Office for Job Training responsible for giving a special economic development focus to state use of JTPA funds. The State Board of Education (SBE) through the Michigan Department of Education (MDOE) coordinates its employment and training efforts with the Office for Job Training to ensure effective and efficient use of resources, program and services. This program plan provides the framework for delivering services and administering funds provided through the State Education Coordination and Grants Program authorized by Section 123 of the Act.

STATE EDUCATION COORDINATION AND GRANTS PROGRAM

The Act mandates a special funds set-aside which enables the Michigan State Board of Education to carry out programs authorized under Section 123. The Education Coordination and

Grants funds represent 8% of the 22% allocation to the Governor under Title II-A (Adult and Youth Programs) of the Act. Pursuant to Section 123, the State Board of Education will:

1. Utilize at least 80% of the 8% funds to make grants to education agencies to provide education, training and related services to eligible participants based on a cooperative agreement between the State Board of Education, Service Delivery Area officials, and designated educational planning entities. The State Board of Education will award all of these funds on a formula grant basis. The State Board of Education will, however, target 40% of the funds within each SDA to meet established Department of Education goals, objectives and initiatives under JTPA. The 40% monies must be used for direct training activities. (See Goals and Objectives)

2. Utilize not more than 20% of the funds to facilitate the coordination of education and training services for eligible participants through cooperative agreements. The SBE will award up to $30,000 to each SDA which has submitted an approvable plan for coordination activities, while the remaining funds will be discretionary to provide statewide coordination and training services.

The purpose of the State Education Coordination and Grants Program is two-fold: (1) To assure the fullest participation of the education community in JTPA by providing resources for employment and training programs and related services, and (2) to increase state and local coordination in order to improve the effective delivery of services to youth, adults, and special populations. The education and training funds available through the State Education Coordination and Grants Program support two of the common goals of Michigan Education adopted by the State Board of Education, which state that students should (1) "acquire performance and technical skills related to the content of the chosen vocational program for job entry and continuing education at a higher level of competence," and (2) "acquire knowledge about careers, understand the requirements of various career roles, and be able to make career choices."

The coordination funds of the program seek to assure that the various elements of the education community are adequately represented in the public sector/private sector partnership, mandated in the Job Training Partnership Act.

Under this partnership, the State Board of Education works closely with education agencies, local chief elected officials (CEOs), private industry councils (PICs), the private sector, organized labor, and other appropriate agencies to develop new and innovative programs enabling participants to acquire productive employment.

GOALS AND OBJECTIVES

The focus of the 8% JTPA State Education Coordination and Grants Program plan, the goals and objectives, are included as ATTACHMENT I.

COOPERATIVE AGREEMENTS/LOCAL COORDINATION

The Designated Educational Planning Entity (DEPE) will be responsible for the joint development of the Cooperative Agreement. This agreement must be drawn up in conjunction with all participating educational agencies (public and private) within the Service Delivery Area (SDA), SDA representatives, including Private Industry Council (PIC) and local elected officials. The designated educational planning entity will provide within this plan that the representative educational institutions, both public and private, have been given the opportunity to participate in the planning activities and those involved concur with the plan. If an SDA is unable to surface a designated educational planning entity, the Michigan Department of Education will provide technical assistance.

The designated educational planning entity will have joint sign-off of the Cooperative Agreement with the PIC/CEO (Chief Elected Official).

This agreement will set forth the framework for the activities to be conducted in each SDA utilizing the Section 123 Eight Percent Funds. Cooperative agreements will address the following:

-- Statement of assurances, as specified by the State Board of Education (SBE)

-- Fiscal information regarding available training resources in the SDA

-- Services to be provided

-- Targeted activities and coordination plans

-- Project implementation schedule

-- Matching requirements

-- Appropriate participant data

-- Skill shortages in the SDA

-- Performance standards

-- Monitoring and evaluation procedures

-- Contracting procedures

-- Reporting requirements

-- Efforts to increase coordination with other public and private sectors

Each agreement must be approved by the SBE before program activities are implemented.

PROGRAM PARAMETERS

Programs funded under Section 123 of the Act provide services needed to enable eligible persons to find unsubsidized employment in the private sector as part of the state's economic development strategy. Allowable program activities under cooperative agreements could include, but not be limited to:

-- Occupational training targeted at existing jobs or new jobs created by business expansion and start-up which are coordinated with appropriate agencies.

-- Programs operated in cooperation with other organizations and agencies that make use of special outreach, counseling, and personal support potential.

-- On-site industrial training for high school, adult and post-secondary students.

-- Special training to enable education agencies to meet the training needs of business and industry.

-- Provision of academic credit for work experience or alternative training and the utlization of Employability Development Plans.

-- Job Placement services at high schools, area vocational-technical centers, community colleges, MRS and other education sites.

-- Vocational assessment services to clients (especially those on welfare) to assess work readiness, job interests, and basic skills before placing them i a training program.

-- Training individuals in jobs that have advance commitment to hire from business and industry.

-- Offering additional instructional programs at non-traditional times.

-- Seeking out and offering training programs at sites using specialized equipment and teaching methods and non-traditional instructors for high technology training

PERFORMANCE STANDARDS AND EVALUATION

Refer to ATTACHMENT II

ALLOCATION OF EDUCATION GRANTS

Upon notification to the State by the U.S. Department of Labor that funds are available, the Michigan Department of Labor, acting for the Governor, will prepare and/or submit the appropriate documents to comply with the Act and receive the state's funding award. One of these documents will be the 8% state plan (or its summary) regarding the Section 123 Education Coordination and Grants Program.

Because these funds come initially to the Michigan Department of Labor, a funds transfer mechanism must be established to convey these dollars to the SBE. Both agencies have agreed to implement a periodic (monthly, bi-monthly, or quarterly) funds request and transfer process conistent with the state's approved fiscal procedure. The SBE will initiate these transfer requests to the appropriate MDOL fiscal agency.

SELECTION OF SERVICE DELIVERERS

The State Education Coordination and Grants Program is designed to minimize unnecessary duplication and maximize the utilization of existing resources and services. The SBE will require:

> A cooperative agreement which has been jointly developed by the PIC and CEO and the designated planning agency.

The specific activities, projects, or process to be conducted in each SDA will be contained within the Cooperative Agreement. The proceduce for administering grants will be consistent with established SBE procedures. The State Board of Education reserves the right to review and comment on each project application.

Each project grant must be matched, on a cash or in-kind basis, with an amount equal to the MDOE/JTPA funds requested.

In identifying and selecting service deliverers, the SBE will use the following criteria:

1. Grant recipient shall be licensed or approved public or private education institutions.

2. Training programs shall be:

   (a) Cost-effective.
   (b) Competency based.
   (c) Capable of meeting participant's needs.
   (d) Creative and innovative.
   (e) Complement locally funded JTPA programs.

ALLOCATION OF COORDINATION GRANTS

Twenty percent (20%) of the funds under Section 123 may be used to facilitate coordination of education and training services for participants under the JTPA. Local coordination grants will be distributed to SDAs having approvable coordination activities.

These coordination activities will be part of the overall program coordination effort articulated in the Governor's Coordination and Special Services Plan. These activities will promote the use of Michigan's job training resources and enhance economic development.

The SBE/JTPA coordination program will include the following:

State Staff Support - Funds from the 20% will be used to provide MDOE staff to administer and coordinate the 8% State Education and Coordination Grants Program, assist the MDOL in implementing JTPA, and work with the MJTCC as they conduct their activities.

State Initiatives - Funds will be used to address statewide and state level initiatives in conjunction with SDA Sponsored programs.

Local Coordination - Funds will be available to those SDAs having an approvable plan for coordination activities.

LOCAL PERSPECTIVE

LOCAL ORIENTATION

Lansing is the capital city of Michigan. Its population is approximately 148,000. It is the home of a major university, Michigan State University. Among its major employers are the State of Michigan and General Motors (Buick-Oldsmobile-Cadillac). The Lansing School District serves over 23,000 full-time pupils in 35 elementary buildings, 9 secondary or alternative locations and 1 vocational-technical center.

The SDA for Lansing is the Lansing Tri-County Employment and Training Partnership. It serves the counties of Ingham, Eaton and Clinton. Three intermediate school districts provide services for 22 local districts, excluding Lansing which is served by the Lansing School District.

DISTRICT JTPA INVOLVEMENT

The Lansing School District has long enjoyed an active and a positive relationship with its SDA, the Lansing Tri-County Employment and Training Partnership. Currently and during the past two years, the school district has received a total of more than $2,400,000 to provide IIA (78% and 8%) and IIB (SYETP) programming. The district's director of Vocational Education is an educational member (local perspective) of the Private Industry Council (PIC). Two other educational members are also included on the PIC: one from the three ISD's and one from the community college. These educational representatives are also members of the Designated Educational Planning Entity for the 8% funds.

Because of the strong relationship, the Lansing School District feels very much involved in the local JTPA process and decision-making.

RECOMMENDATIONS

In spite of the very positive cooperative efforts with the Lansing Tri-County Employment and Training Partnership, the SDA serving the Lansing School District, several recommendations and rationale are now presented for the committee's consideration:

1. All locally operated JTPA-funded programs should be channeled through the appropriate local Service Delivery Area (SDA) organization. In so doing, the Private Industry Council (PIC) will be provided the opportunity to review, discuss and evaluate all employment and training programs in its respective jurisdiction. Education representation is mandated on each PIC;

therefore vocational training concerns will be properly debated and thoroughly coordinated with other JTPA training providers. Currently, the local SDA recommends 8% projects to the SBE, and the State contracts with and evaluates the service deliverers. Better coordination and less duplication of effort is possible with one contracting agency for all JTPA programs.

2. More emphasis should be placed on support services such as child care and transportation. Non-traditional youths (drop outs, teen parents) are more successfully served if these supportive services are emphasized. Perhaps a stronger categorical set-aside for these services would encourage more program operators to target the hard-to-reach, non-traditional populations.

3. Longer training programs should be considered. Currently, performance standards prohibit long term training. The emphasis is now on short term training with immediate job placement. Certain technical areas, due to their nature, are now not available to some of the more needy clients as training might require 12-18 mos. of classroom and remedial instruction.

4. Local school districts need to be made more aware of funding opportunities available through JTPA and of the possibilities of serving on Private Industry Councils. Legislation is in place that creates educational input; however, more awareness and action by educators needs to occur for true representation to be realized.

ATTACHMENT I

GOALS AND OBJECTIVES

The following goals and objectives represent the focus of the Eight Percent JTPA State Education Coordination and Grants Program Plan.

Mission: The mission of the State Education Coordination and Grants program is to prepare individuals for productive, unsubsidized employment through the provision of adequate skill training within the framework of a cooperative, public-private sector partnership at the local service delivery area. To the extent of available funds, the Department will address the goals and objectives which follow:

GOAL I: Assure that all eligible Michigan youth and adults receive the full and equal enjoyment of the benefits provided by JTPA under the State Education Coordination and Grants Program without discrimination based upon race, color, creed, religion, national origin, age, sex, or handicap.[4]

Objectives	Projected Activities
Ia. Assure that cooperative agreements include outreach activities to ensure opportunity for enrollment of all segments of the eligible population; including but not limited to, welfare recipients, youth, women, blacks, Hispanics, Native Americans, Asians, older workers, handicappers and other groups with special needs.	- Require assurances in SDA cooperative agreements. - Require a plan which explains how the needs of the eligible population will be met, and document how the related agencies are coordinated.
Ib. Assure that employment and training funded under the coordination and grants program achieve equal rates of positive participant outcomes by sex, race, national origin, age, and handicapper/non-handicapper groups through unrestricted access to the full range of JTPA training and employment services.	- Document utilized recruitment techniques for minorities and women.

GOAL II: Assure that all eligible persons are provided with high quality employment and training programs which are realistic and sufficient in light of occupational interests, the requirements of employers, and labor market demand.[5]

IIa. Persons completing a funded employment and training program shall possess the competencies and skills required for success in gaining and maintaining employment.	- Provide funds for education agencies to operate competency-based vocational-technical education programs which may include a basic skills component for participant success in the occupation. - Establish, measure, and achieve adequate performance standards for all programs at the local service delivery area level.

ATTACHMENT I

GOAL II: (con't.)

- Encourage employment and training programs to include cooperative education, internship, and other cooperative arrangements between employers and participants.
- Provide funds for the use of employability development plans for program participants.

GOAL III: Assure that handicapped youth, out-of-school and dropout-prone youth, particularly minority youth, are provided occupational training and support services to enable them to remain in school and/or return to complete a high school education.[6]

IIIa. Youth completing a funded occupational program will graduate from high school or complete a GED equivalency.

- Fund and/or develop dropout prevention programs.
- Fund and/or develop model programs for out-of-school youth.
- Utilize existing occupational training programs offered through adult education, community, alternative education programs, and the Michigan Interagency Delivery System for Vocational Education and Related Services for the Handicapped.

GOAL IV: Effectively utilize resources in support of the state's overall economic development efforts at both the state and local service delivery (SDA) level.[7]

IVa. Education personnel will participate in community job retention/expansion/creation activities.

- Fund training and technical assistance for educators who are working with local JTPA efforts.

IVb. Eligible JTPA participants will be trained and/or retrained in local economic development programs.

- Fund custom-designed or "quick-start" business/industry programs that will serve JTPA eligible participants in conjunction with local job retention/creation/expansion activities.

ATTACHMENT I

GOAL V: Assure that all programs funded under the State Education Coordination and Grants Program are coordinated with other JTPA and appropriate non-JTPA funded programs to minimize unnecessary duplication and maximize the utilization of existing resources and services.[5]

Va. State and local programs will be coordinated with appropriate agencies, institutions and service providers.

- Require cooperative planning in submission of local (SDA) cooperative agreements.
- Provide funds for state-wide coordination activities.
- Provide funds for training and/or technical assistance to local SDA's.
- Provide funds for state-wide employment and training services.
- Develop a state-wide network for the administration of the State Coordination and Grants Program.
- Provide funds for a statewide occupational information system (MOIS).

GOAL VI: The Department will target funds for statewide goals, objectives and activities.

VIa. Target 40% of the Education and Training Grants for state initiatives within each SDA.

- Fund training programs which serve drop-out-prone youth and handicapped populations.
- Fund training programs for out-of-school youth.
- Fund other innovative programs which are consistent with this plan.

SPECIAL NOTE: Forty percent monies must be used for direct training activities which possess one or more of the following conditions: (1) Cooperative work arrangements between employers and participants; (2) a coordinated job placement delivery system; (3) involvement of education and private sector; (4) shared responsibility with other education agencies; and (5) industry-specific training programs designed to enhance economic development.

ATTACHMENT II

PERFORMANCE STANDARDS

The Secretary of Labor has proposed performance standards for youth and adult programs. According to the Governor's Coordination and Special Services Plan, the State has elected to employ the Secretary's performance standards for each SDA in Michigan. In addition, the State has further elected not to employ a Governor's performance factor or utilize other factors to account for unique, local circumstances at this time. Finally, the State has reserved the right to employ its own factor to account for circumstances unique to Michigan; and in the event that such right is exercised, to submit an appropriate modification to the State Plan.

Final decisions on Michigan's program standards have not been made. Pending modification, all 8% programs must be developed to meet the appropriate youth and/or adult performance standards as follows:

YOUTH PERFORMANCE STANDARDS:

1. Entered Employment Rate - Number of youth who entered employment at the termination of their program, as a percentage of the total number of youth who terminated a program: 41%.

2. Positive Termination Rate - Number of youth having a positive termination (entered employment or acquired the knowledge, information, or employability or occupational skills needed for future employment), as a percentage of the total number of youth who terminated: 82%.

3. Cost Per Positive Termination - Total expenditures for youth divided by the number of youth having a positive termination: $4,900.

ADULT PERFORMANCE STANDARDS:

1. Entered Employment Rate - Number of adults who entered employment, as a percentage of the number of adults who terminated: 55%.

2. Cost Per Entered Employment - Total expenditures for adults divided by the number of adults who entered employment: $5,704.

3. Average Wage at Placement - Average wage for all adults who entered employment at the time of termination: $4.91 per hour.

4. Welfare Entered Employment Rate - Number of adult welfare recipients who entered employment at the termination of their program, as a percentage of the number of adult welfare recipients who terminated: 39%.

ATTACHMENT II

The previously listed performance standards represent specific and immediate outcome achievement levels for youth and adult programs. Many activities authorized under the Act, particularly those for in-school youth, are by design "employment enhancement activities" and therefore may not be immediately measurable by these standards.

The State Board of Education will work with the education agencies, PIC and SDA representatives to ensure that appropriate performance standards or objectives, as well as an appropriate mechanism for immediately evaluating their level of attainment, are established for such employment enhancement programs.

In an effort to assist education agencies and SDAs in achieving these performance standards, the SBE will encourage the use of proven programs and instructional techniques, the development and utilization of youth and adult Employability Development Plans, Individualized Education Plans, and the increased utilization of adult and vocational education facilities. The Department will also take steps to improve coordination with related programs and the private sector.

The SBE intends to participate in the statewide JTPA Management Information System, established by the Michigan Department of Labor, which will involve every aspect of the Michigan JTPA program. It is not the Department's intent that these standards either prohibit innovation or the use of new and creative program approaches, or that they be the sole measure of a program's success or failure. These standards, as they are applied in each SDA program and to statewide programs, may vary and will serve as benchmarks in the Management Information System. As such, they will be used to examine the result of a program or activity in relation to pre-determined standards and identify ways to improve these programs.

EVALUATION

Programs and activities funded through cooperative agreements under the State Coordination and Grants Program will undergo rigorous evaluation. Specific program objectives, criteria, current and projected needs assessments and success measures will be developed and used to measure the effectiveness of the program. In addition, reports will be submitted to MDOE. All evaluative design will include both formative and summative data and narrative descriptions of the funded programs and activities.

Mr. MARTINEZ. Thank you, Ms. Ford.

Let me follow up on the last thing you said. We have been hearing this on more than one occasion—that there seems to be some—I do not know what they call it—conflict or turf battle between private vocational schools in certain areas and public vocational schools in the education system vying for moneys.

We have heard just the opposite, too, in some areas where there is no feeling like that; there is a tremendous feeling of cooperation between them. And you just mentioned 48 percent of those surveyed.

How extensive was that survey?

Ms. FORD. I believe the survey was sent out—OK, just a moment. Let me see if I can find the specific figures.

OK, 179 school district representatives from 36 States responded.

Mr. MARTINEZ. So that is quite a sampling, then. So it indicated that there is a considerable problem with 48 percent.

Mr. Kilbert, in his testimony, referred to the fact that under the law—and it was the intent of the law, and some people even interpreted—that it was mandated that all PIC's have published school representation on it, and that is not true, either.

It was suggested—it is not mandated, but maybe it should have been. The opportunity for local school representation to be there—public school representation to be there, I guess—falls then on the aggressiveness of the individuals in the district.

Can you tell me of a way that we might, without going back and trying to rewrite the legislation, get more representation on local PIC's by public school representation of that representation?

Ms. FORD. OK.

I think, by and large, probably the most important aspect of it is through better communication in terms of what JTPA is about. Very often, smaller school districts are very much controlled by their local board of education because of a lack of money to go out and hire administrators to handle a lot of the functions that need to be taken care of. What happens is that these people either do not have the time or the knowledge to become involved in what JTPA is about and what the opportunities are.

Now, Michigan is somewhat unique in the sense that we have intermediate school districts, and every—basically every county in the State of Michigan is an intermediate school district. These intermediate school districts represent all of the local school districts within their county.

Now, what happens in that is that you have a situation whereby a lot of times the smaller school districts, which would not otherwise be able to put on programs because of the small number of students participating, are able to take part in those services which are offered by the intermediate school district on a larger level.

Now, in Michigan, because we do have these kind of situations, we have intermediate representatives on some of our PIC's, or at least in the Lansing Tri-County area we do. It certainly is up to the intermediate districts in that particular case to go back to the local districts and encourage them to participate.

Sometimes the paperwork involved, sometimes the lack of information, lack of knowledge, all of those things, I think are a part of it, and I certainly think being able to do away with some of the

paperwork. But, more importantly, just improving the communication that goes on and stipulating to the Department of Labor and the Department—or the State Governors and so forth that they need to give this information to these people.

Mr. MARTINEZ. Do you think that, where the Governor was given much discretionary power over this whole program, that the Governors in each of these States have a responsibility to make sure that the PIC's do include public school entities on there? I mean, here is an opportunity for the Governor of the State to make that determination, and, you know, through a policy statement, in fact, urge and almost mandate by that policy statement the participation of public school entities on the PIC's.

Ms. FORD. Well, I think certainly that could be the way it is handled. I think it is an obvious situation of "the buck stops here." Someone has to be responsible for saying this is the person who is going to be responsible for seeing that that communication takes place. If that needs to be the Governors, then perhaps the Department of Labor needs to indicate that to the Governors.

Mr. MARTINEZ. One thing you mentioned touched on a sore spot with me when you talked about discretionary funds being a political plum to someone. Back in the county of Los Angeles, which I was part of, the supervisors each had a little fiefdom with equal amounts of Federal moneys coming in to be dispersed among their communities, as it would do them the most political good. This leads me to a question that I want to ask you, Mr. Kilbert, because you are directly connected with the Governor of the State of California.

Does not that kind of a situation create a potential for the Governor not to push hard for that participation for those 8 percent funds when he knows that they will revert to him to be used among the rest of the discretionary monies he has got?

Mr. KILBERT. I guess that comment goes back to what was said earlier. Every State does things a little differently. But, in our State, that could not happen because the 8-percent funds all go through the State Council for approval, and therefore there could not be the potential of the fact that perhaps the State—in our State, the State superintendent of public construction is elected, as well, so that person could not use those dollars as a political plum. And even though the Governor appoints our State Council members, the State Council as a whole votes and they make a decision as to what happens with those 8-percent funds.

Mr. MARTINEZ. So they are an independent body——

Mr. KILBERT. They are independent.

Mr. MARTINEZ [continuing]. Even though they are appointed by him?

Mr. KILBERT. That is partially true.

Mr. MARTINEZ. It does not seem to work that way.

Do you feel that the hesitancy on the part of the education and training agencies in some States to work together is so deeply rooted and it is so entrenched now in those places that it is that the problem cannot be resolved? Or do you still hold out hope that the problem can be resolved?

Mr. KILBERT. I always hold out hope that it can be resolved.

In your earlier discussion, when you were talking about the—for example, the representation on the PIC as one way, as my colleague here has mentioned to you, in some States there is State legislation regarding who serves on the PIC. So, even though it is not in the Federal law of JTPA, there is State legislation.

There are some problems with that. Even, for example, in one of the States where it is in State legislation that there must be an education rep on each PIC, that education rep could oftentimes be from a community-based organization or a private school.

In a very large county with which you are familiar, the representative of a PIC is the private school person, and therefore the many community college districts and public school districts feel that they are unrepresented and they cannot get on the PIC. No matter how much they would like to, or be aggressive to get on it, they cannot because there is only one slot for an education rep, and that is appointed by the local elected officials. So, although there is—if we did something where we said the public education agencies have to be represented, made it very clear, I think there is hope that, yes, you could bring people together.

Mr. MARTINEZ. That might be something we have to do, because in that one statement in the law where it says local education agency, the word "public" should have been in there.

Mr. KILBERT. It should have been in there.

Mr. MARTINEZ. And it was not. We do that many times.

Ms. Ford, I am not sure that you did say this or you did not, that the 8-percent funds should be passed through directly to local PIC's.

Do you feel these funds should be passed through the local PIC's and the educational agencies, and not through the State?

Ms. FORD. I am not implying necessarily that they should not be passed through the Department of Education or through the—in our case, it goes through the State Board of Education to the Department of Education, and the State contracts with and evaluates the services delivered. That specifically is what we are asking, that the function be turned over or perhaps at least be coordinated with the local SDA's so that there—that, in turn, cuts back on duplication as well as the other aspects of it, the problems with it.

Mr. MARTINEZ. Well, you know, in the testimony we have heard so far I draw a picture, and I would like you to respond, Mr. Kilbert, if this picture is at all accurate. Through this whole situation there seems to be turf battles between private vocational training agencies and public educational systems on one side; and then on the other side, a kind of a turf battle between the discretionary funds and how they are used.

Do you see anything like that?

Oh, excuse me, not the vocational but the public education system.

Mr. KILBERT. I think I would have to answer yes, there are those turf battles. I think any time you have dollars available to—that are going to a State, and no matter whether it is through the Department of Social Services, through the Education Department, through whatever, there are numerous entities in every State that those dollars eventually float, and all those entities are going to compete and try and deliver the best services.

In some respects, that is not bad. In some respects, the competition of that makes it a stronger program. It is only when that competition is unfair or when it seems to detract from the basic intent of the law that something should be done about it.

I think the testimony you heard today is not that people are saying we ought to avoid all the competition and not have that type of thing, but we should probably look toward the setting of a mechanism so we clearly serve the client in the most effective way and a fair way. I think the confusing definitions and the confusing conflicting statements in the law makes that sometimes impossible to do.

Mr. MARTINEZ. So, here again, by a program of education maybe through the Department of Labor down onto the Governors, this would be the best avenue we could use right now?

Mr. KILBERT. I think so.

Mr. MARTINEZ. I want to thank you very much. We are getting to be real friends. I think this is about the third or fourth time you have testified before this committee.

Mr. KILBERT. I think so, but each time in a different capacity.

Mr. MARTINEZ. That is right, and I have noticed that, too. You wear several different hats.

Mr. KILBERT. Thank you, sir.

Mr. MARTINEZ. We thank you very much for being here and coming all the way from California.

Ms. Ford, we thank you for coming down from Michigan.

Ms. FORD. Thank you.

Mr. MARTINEZ. We appreciate your testimony here today.

With that, we will be adjourned.

[Whereupon, at 3:26 p.m., the subcommittee was adjourned, subject to the call of the Chair.]

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